

# *The* NATIONAL UNDERWRITER

ILLINOIS AND OHIO AGENTS CONVENTIONS



Great American Insurance Company, New York, N. Y.

Great American Indemnity Co., New York, N. Y.

American Alliance Insurance Co., New York, N. Y.

American National Fire Insurance Co., New York, N. Y.

Detroit Fire & Marine Insurance Co., Detroit, Mich.

Massachusetts Fire & Marine Ins. Co., Boston, Mass.

Rochester American Insurance Co., New York, N. Y.

***Practically All Forms of Insurance Except Life***

**THURSDAY, SEPTEMBER 23, 1948**



FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY  
ORGANIZED 1855



THE GIRARD FIRE AND MARINE INSURANCE COMPANY  
ORGANIZED 1853



NATIONAL-BEN FRANKLIN FIRE INSURANCE COMPANY of Pittsburgh, Pa.  
ORGANIZED 1866



THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE  
ORGANIZED 1870



MILWAUKEE MECHANICS' INSURANCE COMPANY  
ORGANIZED 1852



ROYAL PLATE GLASS AND GENERAL INSURANCE COMPANY OF CANADA  
ORGANIZED 1906



THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK  
ORGANIZED 1874



COMMERCIAL CASUALTY INSURANCE COMPANY  
ORGANIZED 1909



PITTSBURGH UNDERWRITERS • KEYSTONE UNDERWRITERS

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## Pa. Agents Ask Responsibility Law Be Put in Effect

Object to Ice Box  
Treatment—Stewart  
Elected New President

By KENNETH FORCE

BEDFORD — Pennsylvania Assn. of Insurance Agents at its annual convention here adopted a resolution urging the state to take prompt steps to get funds and set up the administrative machinery to put the automobile financial responsibility law into effect. The law was passed in 1945 and agents are seriously concerned over the delay in making it effective.

The association recommended state-wide fire and highway accident safety programs with participation by local



Stanley Cowman



Frank D. Moses

boards and individual members, in another resolution.

More than 350 attended. The association has established a reputation for able, businesslike administrations that get things done.

Pittsburgh won the cup or the best increase in membership by a local board, and W. Howard Stewart, Clearfield,

### NEW OFFICERS ELECTED

President—W. Howard Stewart, Clearfield.

Vice-presidents—W. J. Zwinggi, Pittsburgh, and Harold C. Aulenbach, Reading.

Treasurer—C. M. Thumma, Harrisburg.

Secretary-manager—Frank D. Moses, Harrisburg.

Assistant secretary—Jane Van Horn Evans, Harrisburg.

chairman membership committee, reported a total state membership of 1,311, about a 200 increase.

Certificates from Pennsylvania State College, where a short course was held in June, were presented to students at the convention by A. S. Feinerman, Harrisburg, education committee head. Local board accident prevention activities were detailed by Joseph H. Sowers, head of that committee.

Special emphasis is being put on high school driver education.

If there had been fewer fires the commission question would not have arisen. A. C. Hall of Upper Darby said, in pleading for more fire prevention work. William Seagraves of Clearfield outlined the success with a fire safety committee

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## International Marine Insurance Union Report

By W. JUUL

Foreign Editor, the Review, London

The third post-war annual meeting of International Marine Insurance Union took place on Sept. 9-13 at the pleasant Netherlands seaside resort of Noordwijk. Visitors had come from all over Europe and from the United States, India, and elsewhere, and the meeting once more provided a good background for the renewal of old friendships and making of new ones.

The U. S. delegation representing American Institute of Marine Underwriters was Harold Jackson, president W. H. McGee & Co., and J. A. Bogardus, vice-president of Atlantic Mutual.

The 9th to the 11th were given over to council meetings at which the recommendations to the National Association were hammered out; the annual meeting was held on the 13th at the headquarters of the Union at the Hotel Huis ter Duin, where the opportunity was taken to inform a wider circle of underwriters of the recommendation which they in due course will have to pass judgment on at home.

Since the war the Union is no longer an association of individual underwriters but an association of national marine underwriters' associations. As such, the Union itself has no mandate to decide anything, but can merely make recommendations which the individual markets are free to accept or reject. Its great value lies in its function as a clearing house of information and in the opportunities it offers for underwriters to meet socially and learn to know and respect each other's point of view. Particularly in that respect the Noordwijk meeting represented a great stride forward, although it is obvious to the initiated that there is still much which unnecessarily separates marine underwriters. However, Rome was not built in one day and such difficulties are there to be overcome.

The Vereeniging van Transport Assurandoren in Nederland (the Association of Netherlands Marine Underwriters), which acted as hosts on this important occasion, had arranged several excursions for those who wanted to see the picturesque parts of Holland. On the afternoon of Saturday, the 11th, the meeting was honored by the presence of Sir Robert Watson Watt, the inventor of radar, who lectured on the Decca navigator, preceded by a talking film on the subject. The proceedings were concluded with a visit to the Netherlands radar experimental station. The system will undoubtedly prove of great value to underwriters, as it becomes more and more universal. Already the English chain has—or is going to be—linked up with the Scottish and Danish chain. In view of the increased safety afforded by radar Sir Robert Watson Watt suggested that a revision of marine rates might in equity be contemplated. He was, in particular, in favor of a double differential against those who do not install radar, partly for not installing the system and partly because they may, under pressure of competition, take additional risks in order to shorten the time taken on voyages compared with that of vessels using radar. On the Sunday a party of visitors went to Arnhem to visit the historic battlefield of the Arnhem bridge. Commander C. F. H. Gough, M.C., who was in charge of the bridge when he was captured, had been good enough to come over as a guide, and he gave a most graphic and intensely interesting description of the heroic battle, punctuated

by numerous examples of true British under-statement.

The meeting concluded with a banquet at Huis-ter-Duin, where everyone thoroughly enjoyed themselves.

Some of the visitors received a first-hand impression of the tremendous fire which broke out in Amsterdam harbor Sept. 11. It is now estimated that the total damage may be fl.11,000,000 (£1,100,000), including, possibly, some goods on government account. In present food conditions in Europe it is unfortunate that the two warehouses affected were cooling stores for dairy produce.

Carl Briner, president of the Union, opened the annual meeting by asking members to stand in honor of Mr. Henry B. deGray, late vice-president Appleton & Cox, Inc., of New York, who died in a blasting operation in his garden.

He also stated that since the last meeting at Cannes, Cuba, Egypt, Greece, Morocco and New Zealand had become members. This meant that 22 nations are now members through their national insurance association.

### Theft and Pilferage

Max Nielsen, managing director of the Baltica Ins. Co., Copenhagen, reported on theft and pilferage. The problem remained grave but there was an improvement in most markets. The system employed in Finland, Spain, U. S. A., and Belgium, where special companies had been set up to deal with the situation, were especially recommended for consideration. In principle it is felt that it is a governmental duty to restore respect for ownership, but in present political conditions it has been found undesirable in some countries to seek government intervention and that side of the question has been left to the discretion of the national markets. The special supervising company set up in Helsinki to watch loading and unloading also merited attention; similar facilities are now available in Belgium. As between direct underwriters it was thought that the expenses of such bodies would cancel out but it was considered, in conformity with good reinsurance practice, that reinsurers should pay their proportionate share of such expenses as are not otherwise recoverable. However, that matter must necessarily be left for negotiation between individual parties. Mr. Nielsen referred to a number of other important questions and in particular supported E. H. N. Dowlen, the chairman of the Institute of London Underwriters, in his proposal that a standard packing code should be established by British Standards Institution. He concluded by saying that the committee of which he was chairman desired to stress the necessity of cooperation among the national interests—civil and public—involved, the introduction and maintenance of appropriate measures and of cooperation between the national markets. At present too much time is often taken before a surveyor is called in to examine goods and, although there are no definite proposals, it is recommended to keep the matters under observation to see what can be done.

Captain N. E. Kihlbom, managing director of the Oresund, Malmoe, who is chairman both of the war risks and of the general average committees, reported on the war risks problem.

In the event that communications should be interrupted during another war the council recommended that the notification of a claim to the Institute

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## Dineen Takes Broad Look at I.U.B. Problem

Advocates Multiple  
Location Treatment on  
Sound, Statistical Basis

COLUMBUS — Superintendent Dineen of New York in addressing the convention here of Ohio Assn. of Insurance Agents, tackled in measured terms the major fire insurance problem of the day—the handling of multiple location interstate risks, the topic of his address being: "State Regulation of National Rates: I. U. B. After S. E. U. A."

While Mr. Dineen refrained from suggesting anything like a blueprint for the handling of multiple location business, he did indicate disappointment that I. U. B. had not decided to operate as a national rating organization. He also indicated approval of the idea of treating countrywide contents risks as a separate class of business with suitable experience and expense modifications. He advocated getting up statistics to put such factors on a mathematically supportable basis. He also advocated some central supervisory machinery for regulating national rates, and in the meantime implored the commissioners to exercise "forbearance" in taking local action on national rate filings, so as to avoid contradictory and conflicting decisions from state to state.

He said that American business is entitled to the protection of fire insurance on contents furnished through the free enterprise system at rates which provide a reasonable margin of profit to the seller and at the same time bear a reasonable relationship to the losses and expenses. Such insurance should not needlessly be complicated and its cost increased by unnecessary and wasteful steps in its sale, rating or regulation. On the other hand the desire for simplicity should not result in the adoption of rigid rating plans which deprive the buyer of demonstrated savings in losses and expenses or relieve him from the obligation to pay justified surcharges for experience.

### Interest of Agents

Agents, he said, have a real interest in the problem. Some of the largest interstate businesses are rooted in small communities. One of the original purposes of I. U. B. was better to enable local agents to compete with large brokers on this class of business. The commissioners can contribute to a solution by bringing home to the companies their practical knowledge of the problem based upon the needs of their assured.

"Throughout its long history," Mr. Dineen concluded, "the fire insurance business has been able to rise above obstacles and differences of opinion which, had they not been solved, might well have driven American business into unauthorized insurance or self-insurance. This record justifies confidence that we can solve the present problem. Let's get on with the job and get it done."

In referring to the setting up of I. U. B. and the operation involving the

(CONTINUED ON PAGE 15)

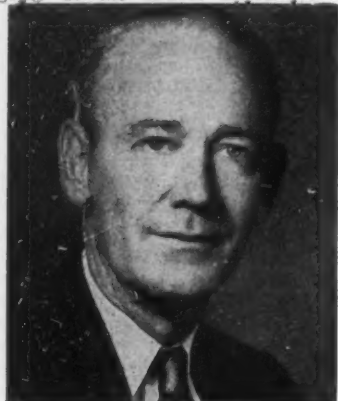


## Washington State Agents in Session

### NEW OFFICERS ELECTED

President—H. H. Martin, Longview.  
Chairman—E. L. Allen, Wenatchee.  
Secretary—Don M. Moore, Tacoma.  
Regional Vice-presidents—Stephen B. Carkeek, Spokane; C. J. Sorensen, Bellingham.  
State National Director—F. W. Norgard, Yakima.

BELLINGHAM, WASH. — There was record attendance of close to 400 agents at the annual convention of



H. H. MARTIN

Washington Assn. of Insurance Agents here Monday and Tuesday.

Possible changes in the insurance code adopted last year were discussed by Robert D. Williams, Seattle attorney. Changes will be kept to a minimum, he said, but it seems important to modify the provision relating to repair and replacement cover, which now can be written only on real property. The department is considering such a change. Mr. Williams drafted the 1947 code.

There was a session of the executive committee Sunday evening. American-Associated companies were hosts at a cocktail party for the executive committee and local board presidents.

Mayor Satterlee extended welcome and H. H. Martin, Longview, chairman executive committee, responded. Les Abshire was general chairman.

### Scores Law Proposal

E. H. O'Connor, executive director Insurance Economics Society, Chicago, attacked the philosophy of expanding social legislation, and especially the proposal to amend the Washington unemployment compensation act to offer cash sickness and disability benefits. He warned against the trend toward asking state and federal governments to supplant individual initiative with collective security furnished by political opportunists, and said private insurance plans have gone a long way toward meeting public demand and increased activity along these lines promises better results through private insurance than through state systems.

### Welsh Speaks for N.A.I.A.

President W. P. Welsh of N.A.I.A. gave an inspiring message on problems with which the National association is contending.

Monday afternoon was given over to the annual golf tournament, with a ladies bridge luncheon at the Golf & Country Club. United Pacific was host to the entire convention at an elaborate cocktail party and buffet supper at the club following the tournament.

### Tells Public Relations Plans

Tuesday morning's session started with a showing of the Zurich film, "Destination Death." R. J. Layton, Indianapolis, vice-president of Rough Notes, spoke on agency management, and S. L. Carpenter, Jr., San Francisco, gen-

## Negligence of Agent Ties Hands of Insurer

The Virginia supreme court has held State Farm Fire liable under a policy covering goods that had been moved from the location specified in the contract, due to the fact that the agent had negligently omitted to make the transfer as requested by the assured. The case was State Farm Fire vs. Rakes. State Farm argued that the location of the goods is not a policy condition that can be waived but is the very essence of the contract and that the location of the goods is beyond the application of waiver or estoppel.

Cecil Rakes insured his household goods with E. E. Woodson, State Farm agent at Narrows, Va. He told Woodson the belongings were then at Narrows but that he was moving to Dickenson county and he wanted coverage that would be transferable. The policy that was issued covered property while located in the Narrows building but not elsewhere.

Again, as he was moving, he informed Woodson of the fact and asked for transfer of coverage. The agent made a memorandum and Rakes understood the change was to be made.

Two months later the goods were lost in a fire. Woodson told Rakes he had neglected to have the insurance transferred.

The supreme court found that Woodson owed Rakes the duty to cancel the policy or endorse it. If it had been canceled Rakes would have had an opportunity to get protected elsewhere. State Farm is estopped to interpose as a defense the failure of its agent to perform its duty.

eral manager Pacific Board, outlined his organization's public relations plans and the tie-in which the group expects to make with local and state associations.

J. S. Bickley, new assistant professor of insurance at University of Washington, told of plans for expanding insurance education at the university. H. B. Murray, Aetna Fire group, Seattle, educational chairman Washington Fire Underwriters Assn., announced his organization's plans to sponsoring educational programs to fit in with the plans of local associations throughout the state this fall. A past-presidents' luncheon was held.

A closed session for members was held Tuesday afternoon, at which President H. E. Carr reported for the administration. Several by-laws amendments, suggested by H. P. Sargent, Seattle, chairman by-laws revision committee, were adopted. These deal principally with equalizing voting rights of members affiliated with local boards and those not affiliated with local associations. A. S. Brown, Spokane, secretary-treasurer; R. C. Jenner, Seattle, regional vice-president western Washington; LeRoy B. Way, Spokane, regional vice-president eastern Washington; State National Director F. W. Norgard, Yakima; E. R. Bowden, Seattle, legislative chairman; A. J. Peters, Issaquah, fire contact chairman; H. N. Mann, Tacoma, casualty contact chairman; Matt Maury, Olympia, resolutions chairman, and A. W. White, Seattle, nominations chairman, reported.

F. N. Bellingar of Bellingham, past president, was master-of-ceremonies at the annual banquet. Gifts were presented to President Carr and to N.A.I.A. President Welsh. Following awarding of golf prizes, an entertainment program was given.

Named on the executive committee were Al Erdman, Vancouver; Howard McCain, Bremerton; Herb Wilson, Everett; Lester Bell, Kelso; H. D. Lasell, Aberdeen. The latter four were reelected. Arthur Strand of Illwaco was elected trustee at Large, a newly created position. D. K. Ireland, Bellingham, was elected to succeed C. J. Sorensen and B. A. Slaughenaupt of Chelan to succeed Stephen B. Carkeek for unexpired terms on the executive committee.

## Morgantown Loses Round in Hangar Loss Dispute

The city of Morgantown, W. Va., under a decision of the fourth U. S. Circuit court of appeals, is denied a jury trial in its effort to collect from Royal for fire loss at an airport hangar under a policy that was intended to cover wind and hail but which by mutual mistake was issued to cover fire.

The lower court judge denied a jury trial and set the case down for hearing before the judge.

Royal brought the action to reform the contract. The premium paid was that for wind and hail. The fire premium would have been much greater. The city denied the allegations and asked, by way of counterclaim, recovery under the policy.

The court of appeals decided that the judge's order is not appealable.

## Coinsurance Explanation

Insurance Institute of America has just published a limited quantity of a pamphlet by Laurence E. Falls on the "Principle of Coinsurance" and has distributed it to the heads of insurance companies and to fellows of the institute.

Mr. Falls prepared the pamphlet because he realized that nearly every insurance man who has had occasion to speak on the subject of property insurance and who offers to answer questions, finds himself interrogated most often about the operation of the coinsurance clause. It seems to be the principle of insurance least understood by the public.

Because coinsurance is one of the cardinal principles upon which successful operation of the insurance business depends, it is desirable that it be explained clearly. The principle of coinsurance, which originated with the Rhodians in 916 B.C., is an equitable provision of insurance contracts to prevent unfair discrimination between those buyers of insurance who have small values at risk and those who have large and more valuable properties. This pamphlet points out and explains why a coinsurance clause does not, under any circumstances, impose a "penalty" upon the policyholder.

## Pittsburgh Schools Start

The Pittsburgh insurance school gets under way Thursday evening and the classes continue until April 28. This is sponsored by Insurance Club of Pittsburgh and Pittsburgh Assn. of Insurance Agents with the cooperation of Insurance School Alumni Assn.

A. J. Cavanaugh, New Amsterdam Casualty, is director of the school, assisted by W. S. McCready, formerly of American Surety, but more recently appointed business manager of Geneva college.

Insurance Women of Pittsburgh will present the elementary course, which got under way Wednesday evening. Emilie R. Schiller of Commercial Union is chairman.

## Pay Dividends Quarterly

Continental and Fidelity-Phenix have changed the incidence of their distributions to stockholders. Instead of making payments semi-annually, this will be done quarterly and the first quarterly dividend of 50 cents a share has been declared payable Oct. 15 to stock of record Sept. 30. In the past, payments have been \$1 semi-annually. In the notice to stockholders, it is stated that this declaration is not to be construed as changing the annual dividend rate.

Hereafter, dividends that are declared will be payable quarterly on 15th January, April, July and October.

## Barnes N. Y. Chairman

P. W. Barnes, vice-president of Fire Association, has been elected chairman of New York Board. T. Morgan Williams, vice-president of Home, has been named vice-chairman.

## Kyes Reelected by Maine Assn.

Howard E. Kyes of Wilton was re-elected president of Maine Assn. of Insurance Agents at the convention at Rangeley. All other officers were re-elected except that James W. McClure of Bangor was elected second vice-president, succeeding John N. Glidden of Damariscotta.

It was announced that New England Fire Insurance Rating Assn. has ruled that potatoes are a seasonal risk and the minimum provisional premium for such risks becomes 30% instead of 75%.

An increase in the dues schedule was voted. Speakers included John H. Eglof of Travelers; John C. Stott, N.A.I.A. vice-president; J. M. Cahill of National Bureau of Casualty Underwriters and W. A. Rattelman of National Union.

Mr. Cahill announced that changes are on the way for the residence and outside theft policy. Coverage of property left unattended in automobiles will be eliminated unless an extra premium is charged. There will be a provision specifically excluding the loss of gems from mountings unless there is indication of theft. Also eliminated will be coverage of property while in the mails or in the hands of bailees except under specified conditions. Provision will be inserted for covering away from premises only property that is also covered on the premises.

## C. H. Smith Talk Canceled

Charles H. Smith, vice-president and western manager of Hartford Fire, who was tentatively scheduled to address the annual meeting of North Dakota Assn. of Insurance Agents, Oct. 14, now finds that it will be impossible for him to make the trip.

## C. C. Myers to Peoria Agency

Clarence C. Myers has resigned as production manager in the Chicago service office of General of Seattle to become affiliated with the Bourland agency at Peoria, in which he has purchased an interest. He had been with General since 1946. He was in military service during the war and prior to that was Chicago manager of Badger Mutual Fire.

## J. E. Finnigan to Denver

John E. Finnigan has been appointed by Union Fire of Lincoln as state agent for Colorado and Wyoming with headquarters in the Majestic building, Denver. He has been transferred from the home office. He is a graduate of Notre Dame University and of the law college of University of Nebraska.

## New Aetna Educational Man

Howard H. Brown, who has been with General Adjustment Bureau at New York, has become assistant educational director of Aetna Fire. He will be associated with Director L. Ray Ringer in conducting the educational and training program.

Mr. Brown has had experience in educational work besides a broad fire and marine insurance background. After graduating from Yale in 1926 he entered the teaching profession. Later he went into the banking business, following which he became a fire insurance field man. He then went with G. A. B. as staff adjuster at New York.

## Superior E. C. Is Rerated

Middle Department Assn. of Fire Underwriters has rerated extended coverage on superior risks. Until December, 1947, the rate was nominal. It was then made 50% of that or ordinary risks. Under the new rules the rate goes back to about what it was before last December, with a \$250 deductible. The new rule applies to only a few risks, sprinklered or with a fire rate of less than 25 cents for three years.

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## "Ad" Men Ready For Annual Parley At Chicago

Plans have been perfected for the annual meeting of Insurance Advertising Conference at the Stevens Hotel, Chicago, Sept. 30-Oct. 1. The first morning there will be a forum with Ralph Blatchford, Dwight Ely, John Cosgrove and Sidney Holt as discussion leaders. Commissioner Pearson of Indiana will address the luncheon meeting and John Ashmead of Phoenix of Hartford will put on a demonstration. The National Board film "Texas City Comes Back" will be shown.

The next morning, following the business meeting, there will be a report on safety by Harold K. Phillips of Assn. of Casualty & Surety Companies and a round table discussion led by Fred Crowell, Jr., of the "Insurance Field." Luncheon speaker will be Allen Beck, former president of Colorado Assn. of Insurance Agents. In the afternoon George Traver of the National Board will speak on "Internal Public Relations" and Hal Cook of "Look" magazine will appear. The dinner speaker is Thomas H. Beck, chairman of Crowell-Collier.

## Pacts to Remain Out of Competition Still Valid

COLUMBUS—L. U. Jeffries, warden of the Ohio insurance department, in his remarks during the agency operation panel at the convention of Ohio Assn. of Insurance Agents, expressed the belief that a contract by which an insurance man retiring from the business, agrees to remain out of that business in a certain territory for a specified period of time, is valid. Such contracts may be scrutinized by the courts with the anti-trust laws in mind, but he believes that they will still be valid, if properly limited.

He went on to say, however, that the insurance department cannot be expected to help enforce such a contract. He recalled the decision in Ohio in 1939 holding that the insurance superintendent was not justified in denying a license to an applicant on the ground that he had sold his business and had agreed to remain out of the business in the county for five years. The common pleas court said the insurance superintendent has no jurisdiction to interpret the contract, but that the action should be brought in the courts. However, the decision did indicate that the courts were open for the enforcing of such contracts. In connection with disputes where a former associate is attempting to use information acquired while in his earlier position, the rights of the parties are even more nebulous.

## Former Navy Insurance Men Take Summer Seminar

During the summer several navy reserve officers who served in the insurance division during the war have returned to Washington for two-week training periods in the insurance branch. These officers include Lt. Comdr. Frank I. Butterworth, head of compensation and liability department of Maryland Casualty, Chicago; Lt. Comdr. Charles G. Gilmore, special agent Travelers, Richmond, Va.; Lt. Comdr. Otho J. Parker Jr., president Parker Insurance Agency, Atlanta; Lt. Comdr. Frank J. Sartore, Brown, Crosby & Co., New York; Lt. Comdr. J. Russell Townsend Jr., associate general agent Equitable Life of Iowa, Indianapolis.

The insurance men were brought up-to-date on the present procedures of the navy insurance program and informed present members of the division on current information of the insurance industry.

## McGee Makes Packaging Award

Wm. H. McGee & Co., the marine underwriters, are establishing a trophy to be awarded annually for an outstanding contribution to the betterment of overseas packing. This year it will be awarded for the package which is judged to incorporate the most ingenious and effective new method of preventing pilferage. The contest is being conducted by Industrial Packaging Engineers Assn., in connection with their annual industrial packaging and materials handling exposition at Chicago, during the week of Oct. 4.

The trophy will be named the "Harold Jackson award" in recognition of Mr. Jackson's leadership in the promotion of better packing in overseas trade. Mr. Jackson, president of Wm. H. McGee & Co., is also president of American Institute of Marine Underwriters, and just recently attended the meeting of the International Union of Marine Insurance at Noordwijk, Holland.

The award will be presented by an officer of Wm. H. McGee & Co., at the exposition dinner, Oct. 6.



Chairman of the judges is Frank W. Green, packaging consultant of Springfield, Mass. The others on the committee are John Mount, manager marine service department North America, New York; Charles J. Zusi, vice-president Container Laboratories, Chicago; R. W. Walker, marine surveyor Walker & Noonan, Chicago, and Col. C. A. Waldmann, Deere & Co., Moline, Ill.

## Correction on Fire Figures

In the Aug. 12 issue the showing of countrywide fire experience in 1947 of companies licensed in New York, the Century and Pacific Coast Fire figures were incorrect.

The mistakes arose in respect of three of the expense ratios; these having been calculated on an earned instead of a written premium basis. Below are shown the figures as published and what they should have been.

CENTURY		As Published	As Corrected
Losses Incurred to earned	Expense (Adjusted) .....	56.9	56.9
Net Gain (Adjusted) .....		61.1	53.5
Claims Adj. Exp. to earned		18.0	10.4
Commissions to written		2.3	2.3
Field Super. to written		41.2	34.8
Gen. Admin. to earned		3.5	2.9
Insp. & Bur. to earned		8.6	8.6
Taxes (To Written) .....		1.9	1.9
		3.6	3.0

PACIFIC COAST FIRE		As Published	As Corrected
Losses Incurred to earned	Expense (Adjusted) .....	56.9	56.9
Net Gain (Adjusted) .....		60.9	53.3
Claims Adj. Exp. to earned		17.8	10.2
Commissions to written		2.3	2.3
Field Super. to written		41.2	34.8
Gen. Admin. to earned		3.5	2.9
Insp. & Bur. to earned		8.4	8.4
Taxes (To Written) .....		1.9	1.9
		3.6	3.0

## New Rating Program in Pa. Unveiled to Agents

BEDFORD, PA.—As part of a program to get more uniform rating in the territory of Middle Department Assn. of Fire Underwriters, that bureau has devised a new schedule for developing specific rates, Carlyle H. Hill, bureau manager, told Pennsylvania Assn. of Insurance Agents at the convention here. This schedule has been approved by the Pennsylvania department. Agents were consulted by the bureau and department, and the agents group has urged support of the schedule for a trial period.

Currently the schedule is being applied to a limited number of classes—fire resistive offices, and fire resistive mercantile buildings and contents throughout Pennsylvania and Delaware, using a single, uniform rate conversion factor. Territorial rate differences were minor, hence the single factor and this procedure will be followed whenever possible.

The schedule also is being applied to more classes in several specific territories—Venango, Bucks, Montgomery, Chester and Delaware counties, Pa. These are rated and will become effective as of date of promulgation. One reason for early action was that these counties had a higher base rate for frame mercantiles than surrounding counties, going back to an action of field men many years ago.

### Grading Instrument

The schedule is essentially a grading instrument by which these characteristics of individual risks as to structure, occupancy, protection and exposure are measured by a point system of charges and credits. A relative physical grading is thus produced for all buildings regardless of their geographical location or of the final rates to be developed for any specific class of risk or territorial section. The final building and contents gradings expressed in points, are converted to 80% coinsurance rates by the application of percentages designated as rate conversion factors which may vary with risk classification and territorial zones. For the present, Pennsylvania is divided into east, west and central zones. Results of tests still in progress may necessitate a further subdivision of east and west zones and the rate conversion factors for all zones will be subject to such further changes as future statistical experience may dictate.

### Won't Affect General Average

Application of the new schedule is not intended to affect the existing general average state level of rates. While variations from existing rates on many individual risks are unavoidable, the schedule is designed to provide a uniform treatment and to harmonize the rates within various classes with the least possible disturbance to prevailing average rate levels.

The percentage rate advances now in effect on certain classes will not be absorbed by the new schedule and the rates produced by it will accordingly be subject to the application of all such advances as are now promulgated. Agents will be notified when the schedule is extended to classes or geographical locations.

The occupancy classification list is not entirely complete and will require changes or additions from time to time.

His bureau rewrites four different systems of rating in Pennsylvania, Mr. Hill said, and at one time all were separate and independent. The new rate laws call for greater uniformity. Where the schedules have been applied, 95% of individual rates were disturbed, about half were up, the other half down. Companies will have to set up statistics to coincide with the zone boundaries under the plan.

Agents wanted to know how they can meet competition under the schedule.

Formerly there were a number of discretionary charges. These are not possible under the rate law, but this isn't necessarily a handicap, Mr. Hill said. The new schedule, based on a point grading, should be flexible. For example, an office building at 5 cents changes to mercantile. Under the former schedule the rate jumps to 20 cents, which is not justified on a slight change of one mercantile occupancy. The new system grades on percentages of occupancy.

The new schedule should be simpler to understand, remember and apply, after the grading, the rate factors are applied, it is in effect a combination of analytic and class rating, he said. Application of the schedule, county by county, will take several years. Schedules applied to classes territory-wide will all be brought out at one time.

## Aug. Fire Losses Slightly Lower

August fire losses were estimated at \$49,543,000, a decrease of 3.5% from the figure of \$51,359,000 recorded in the same month last year, according to the National Board.

August's losses brought the total for the first eight months of this year to \$486,978,000, a sum greater than losses for the entire year of 1945. For the past 12 months, the fire losses totaled \$709,621,000, an increase of 8.6% over losses of \$653,156,000 for the 12-month period ending Aug. 31, 1947.

Following are the figures by months for the first eight months of 1948, 1947 and 1946:

	1948	1947	1946
Jan.	\$3,010,000	\$7,180,000	\$9,808,000
Feb.	7,521,000	\$4,247,000	51,759,000
Mar.	74,236,000	72,435,000	53,252,000
April	63,751,000	68,029,000	62,153,000
May	59,256,000	56,545,000	45,094,000
June	54,706,000	50,840,000	44,240,000
July	50,955,000	49,357,000	40,998,000
Aug.	49,543,000	51,359,000	40,019,000
	\$486,978,000	\$469,992,000	\$377,323,000

## Home Consolidates Md. Offices Into Single Unit

Home has consolidated the offices of all companies formerly belonging to the Home fleet in Maryland into a consolidated office at 8 South Calvert street, Baltimore. This office will include the former home office of Homestead Fire and the state agencies of Home, Franklin Fire and Home Indemnity. The Baltimore service office, and the marine and loss departments of Home will also operate from there.

The office will represent Home for the entire state except Montgomery and Prince Georges counties under supervision of Randolph Church, assistant secretary of Home. The office manager will be Edward J. Cook, former manager of the Baltimore office and associate managers will be Harry C. Blohm, former associate manager at Baltimore, and Jerome W. Boone, formerly Home state agent in Maryland.

## D. C. Broker Fined

WASHINGTON — Superintendent Jordan has fined Mark H. Rossen of Motor Credit Co. \$200 for "misrepresentation" on the charge of applying for a license as an individual agent and broker, though actually trading for the credit firm. At a hearing Rossen's attorney admitted Rossen had misrepresented himself, but contended he had not profited by the act.

Rossen's license was suspended and he was directed to obtain a new license retroactive to May 1, 1948, beginning of the current license year. The fee is \$65 and Jordan said no credit is given for payment on the suspended license.

## Utah Association Holds Annual Meeting at Salt Lake City

**Goeltz Is New President—Ex-President Hatch, State National Director**

SALT LAKE CITY—Utah Assn. of Insurance Agents held its annual meeting here, attended by 250 delegates from Utah and adjoining states. There were 15 speakers for three sessions. President A. W. Hatch called the convention to order, presenting Salt Lake City's mayor, Earl J. Glade, who declared the work of insurance men and women to be the best of any industry in the city and state. President Hatch then reported on activities within the last year. He thanked everybody for the fine cooperation received and referred to the trend towards self-insurance by 40 school district superintendents. He said there was "nothing particularly new about it; through the years this idea has been advanced by public officials and others. As members of this association we should have good and sufficient reason why the state, or why the school districts, should not be self-insured, and surely the evidence, the experiments, the history of self-insurers of the vari-

### NEW OFFICERS ELECTED

President—Francis B. Goeltz, Salt Lake City.  
Vice-president—Earl E. Jones, Ogden.  
Secretary-treasurer—J. Edwin Stein, Provo.  
State National Director—A. W. Hatch, Ogden.  
Executive Committee—Ben Van De Graff, Ogden; E. Hugh Ford, Ogden; Arnold E. Burgener, Salt Lake City; Sherman T. Hunter, Salt Lake City.

ous states, cities and school districts are such that we can build a case to the point whereby we can show the fallacy to those public officials of ever entering into a self insurance program." He urged gaining the confidence of school board members and working along with them.

William P. Welsh, Pasadena, president of N.A.I.A., said the nation's fire loss for the current year will exceed \$1 billion, the highest in history. He urged assistance to cutting down the accident traffic toll, which has been rising more rapidly than ever. "We are now organizing safety committees

(CONTINUED ON PAGE 38)

## COWMAN GIVES VIEWS Multiple Line Extension Would Improve Market

Enactment of broader multiple line underwriting legislation and more extensive utilization of such privilege were suggested by Stanley Cowman, Philadelphia, in his presidential address at the annual meeting of Pennsylvania Assn. of Insurance Agents, as a means of improving the insurance market situation.

He said that the combined stock fire-casualty writings of \$4,110,000,000 last year form a stupendous volume and one difficult of comprehension. Company management never expected to be offered such a large volume of business. Had they envisioned anything of the kind, they might have taken steps earlier to broaden the market.

### Improving the Spread

Mr. Cowman said if the casualty and fire underwriting resources were combined, the public could be accommodated to a much greater extent. The spread would be improved. He expressed the belief that the public would be better served if insurers were permitted to write all forms subject to reasonable capital requirements.

Mr. Cowman said that the business is being conducted smoothly, all things considered, under rate regulation.

Although the \$4 billion business is due in some measure to inflation, much of the volume comes from a broader base, he went on to say. There are several million more people than there were a few years ago and hundreds and thousands of new homes, new industries and new facilities. The agency system has provided more and better protection for more and more people and industries. The public is becoming more insurance conscious and claim minded.

He said that the question of deductibles and franchise clauses is getting considerable attention. The cost of handling small claims is getting attention, but he said if the public is willing to pay for the privilege of collecting a small claim, they should be permitted to do so. The agents can help them to decide by explaining the differences.

He said that better phraseology is needed in labeling insurance policies. For instance, the term "extended coverage" is not understood by the public.

The agency system must at all times be able to justify its place and its cost, and agents should undertake to improve their knowledge through the educational opportunities that are available, and contribute their full share to fire and accident prevention.

Dudley Gale of Gale, Smith & Co., as president of Nashville Chamber of Commerce, attended the recent meeting of Business Men's Conference on Urban Problems at Detroit.

## Insurers Bound by Agent's Word

SPRINGFIELD, ILL. — Federal Judge Briggie has ruled in favor of Slide Rule & Scale Engineering Co., of Gillespie, Ill., and General Credit Corp., an Indiana corporation, in a fire insurance case involving five insurers and more than \$75,000.

Involved was a building of the Gillespie company which burned down in February, 1947. Damages in the fire amounted to \$74,574.05.

The plaintiffs had asked for insurance coverage for \$75,000 a month before the fire from Edward Collins, Gillespie local agent and had been accepted by him.

Mr. Collins, as a mere soliciting agent for Illinois Mutual Fire of Belvidere, had asked that company to accept the \$75,000 policy, but the company rejected it.

### Agent for Other Insurers

Mr. Collins was an agent for Fireman's Fund, Citizens, Iowa Mutual, and Lumbermen's Mutual and had authority to bind these firms without their approval, Judge Briggie said.

When Lumbermen's refused to accept the whole policy, Mr. Collins bound Fireman's Fund, Iowa Mutual and Citizens to \$25,000 each.

Judge Briggie ruled that the attempted declarations of Fireman's Fund and Citizens "not being communicated to the insured prior to the fire, did not relieve these companies from liability on the risk."

These two insurers and the Iowa Mutual, which had accepted a \$25,000 policy, were therefore liable.

Iowa Mutual had conceded liability. Judge Briggie ruled that because Mr. Collins was merely a soliciting agent for Illinois Mutual, that company's rejection of the insurance "relieved it from all liability on the risk."

He further ruled that Lumbermen's was bound by Collins for \$75,000 but had been relieved from liability on the doctrine of substitution, Mr. Collins having substituted for such liability other valid and collectible insurance.

## Cravey Not Affected in Ga.

ATLANTA—In the recent state primary, returns of which have just been officially certified, Comptroller General Zack D. Cravey, who is ex-officio insurance commissioner, was not affected, as he will not come up for reelection until September, 1950. The campaign for governor was to fill the vacancy caused by the death of Governor-elect Eugene Talmadge just previous to his inauguration in January, 1947. Mr. Cravey has always been an active supporter of the Talmadge group.

### Bowen to Planet Home Office

Mark Bowen has been named to the underwriting staff of Planet. He has been supervising field representative at Indianapolis. Mr. Bowen attended Dartmouth and joined Standard in 1934.

## Bradley and Hewitt Elected to Head Minnesota Assn.

**Press for Interstate Rating Solution; Fair View of Young Drivers**

ST. PAUL, MINN.—Jesse D. Bradley of Duluth is the new president of the Minnesota Assn. of Insurance Agents, succeeding George Fevig, Moorhead.



J. D. Bradley



George Fevig

C. R. Hewitt, Dorset, becomes chairman of the executive committee. Newly elected members of the committee are Donald Clark, Winona; Tom von Kuster, Minneapolis, and L. H. Gaugert, Heron Lake.

In a resolution the association urged that fire companies make available immediately rating plans for interstate lines. Another resolution urged that now that the additional rate approved for risks under age 25 has been increased better consideration be given to these younger drivers and that when they measure up to older drivers they be no longer turned down alone because of age.

The attendance did not come up to expectations due to hot weather, but more than 200 were registered. The membership report showed there are now 793 active members.

A resolution adopted called on members to extend their efforts to preserve free enterprise. The threat of the expanding cooperative business to free enterprise in insurance and other lines was stressed by Loring A. Schuler, executive director National Associated Businessmen, Washington, D. C.

The definition which congress puts on patronage dividends will have a lot to do with determining whether the private enterprise system is to survive, Mr. Schuler said. Co-ops now are doing a \$17 billion business a year and paying but a small amount of taxes, he said. He termed the public relations of the co-ops

(CONTINUED ON PAGE 10)



AT THE ANNUAL MEETING OF MISSOURI ASSN. OF INSURANCE AGENTS AT KANSAS CITY:

Alpha H. Kenna, executive secretary Kansas Assn. of Insurance Agents; O. P. Rush, vice-president Kansas City Fire & Marine; O. Shaw Johnson, Clarksdale, Miss., member

executive committee N.A.I.A.; Harry E. McClain, executive secretary Indiana Assn. of Insurance Agents; L. E. Wilkins, executive vice-president, Kansas City F. & M.; John J. O'Toole, St. Louis, new president Missouri agents association, and Edmund J. Boyce, St. Louis, chairman membership committee.



# ANNOUNCING

*important changes*  
**that make FIREMAN'S FUND A & H**  
*easier to sell than ever*

Already offering many exclusive advantages, Fireman's Fund has made the following changes that make its A & H coverages more than ever advantageous, both for our Producers and the Insured. Here are some of the liberalized provisions, all expressed in simple, straight-forward terms in the policy.

## BODILY INJURY FOR ALL CLASSIFICATIONS

Accidental Bodily Injury coverage extended to all classes A to H for men and A to D for women. (Formerly limited to men only—A to D.) Hernia now included for Accident Indemnity.

## HEALTH POLICIES LIBERALIZED

Health policies now incontestable as to origin of sickness after two years. Renewable to age 70. Indemnity up to 104 weeks for house or non-house confinement instead of 52. Waiting period as low as 7 days for non-house confinement.

## HOSPITAL-MEDICAL AND SURGICAL FOR INDIVIDUALS

New individual Hospital-Medical Surgical Expense policy provides hospital board and room for 100 days instead of usual 21. Lab fees allow up to 25 times daily benefit. Top schedule for surgical up to \$500.

## NON-PRORATING NOT-CANCELLABLE UNTIL END OF TERM

All basic Accident & Health policies are non-prorating by reason of a change in occupation. Cancellation clause eliminated, all policies remaining in force for period paid for.

## OTHER FEATURES

Both Accident & Health policies provide that accrued benefits due under policy at death, as well as principal sum, be paid to beneficiary. No specified time required for assured to elect to take weekly indemnity for life in lieu of Specific Benefits for loss of limb or sight; or the Elective Indemnity in lieu of Total Disability.

## REAL COOPERATION

Your Fireman's Fund field man will gladly help you set up a workable program for increasing your income by selling more A & H under this simplified Basic Plan. Ask him or write to your nearest Service Office for complete sales kit and other Agents' helps.

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## Joint Fire Safety Fact-Finding Group Set Up

Factory Insurance Assn., National Automatic Sprinkler Assn., National Board and National Fire Protection Assn. have organized a joint fire safety fact-finding conference. This will develop means of securing factual information to broaden and coordinate the loss reduction activities of these national organizations.

A meeting of the policy committee of those actively interested was held at New York in May. Among those present were: C. W. Pierce, Factory Insurance Association; A. M. Lewis, T. S. Duke and Ira U. Knight, of National Automatic Sprinkler and Fire Control Assn.; A. Bruce Bielaski, National Board, and Percy Bugbee, National Fire Protection Association.

At that meeting the automatic sprinkler industry again expressed its desire to cooperate with all interests in ascertaining the cause of all important fires, particularly those involving large losses, with emphasis upon those occurring in sprinklered properties. This industry

desires also to develop through research advanced types of approved equipment to safeguard increasing hazards of manufacturing processes and to cooperate with all other organizations in the development of new types of extinguishing equipment and in studies of special fire protection problems. It was agreed by all present that these aims would be in the public interest and organizations of the conference was consummated.

This conference is set up to cooperate with and to work through presently constituted committees of other organizations interested in similar aims.

At a meeting held at New York in July, a technical committee was appointed to develop ways and means for handling the special protection problems of the day. That committee consists of: J. S. Mallory, automatic sprinkler industry, chairman; E. U. Fowler, National Board, secretary; Horatio Bond, N.F.P.A.; Ira W. Knight, automatic sprinkler industry; and L. B. Hansen, F.I.A.

## Two New Coast Specials

Phoenix-London group has appointed two new special agents in the Pacific Coast department. Leland Benton will cover Montana territory, out of Helena, and Alexander Campbell is assigned to

the Los Angeles office, covering territory from Los Angeles south to San Diego. Mr. Benton succeeds Vern Christinson and has broad experience in all insurance lines. Mr. Campbell has had all his insurance training with Phoenix-London.

## N.F.P.A. Publishes "Guide for Hotel Fire Safety Law"

The committee on model hotel fire safety law of the fire marshal's section Nation Fire Protection Assn. has published a "Guide for Hotel Fire Safety Law." Copies may be obtained from N.F.P.A., 60 Batterymarch street, Boston for 50c.

The purpose is to assure the public that every hotel shall be constructed, arranged, equipped, operated and maintained in safe condition, so as to provide for the reasonable life safety from fire, smoke or panic of all occupants. Among the subjects covered are: Type of construction and materials to be used; fireproofing of structural parts; number and type of means of egress, aisles and passageways, interior and outside stairs; wall openings; exits and exit signs; doors and doorways; protection of stairways and other vertical openings; emergency lighting systems; automatic sprinkler systems and their supervision; automatic fire detection systems and their supervision; fire alarm systems; fire drills; use and maintenance of electrical equipment; storage and use of flammable and explosive materials; safe installation and maintenance of heating apparatus and fuel storage; air conditioning, ventilation and all other proper fire, smoke and panic protection. Although primarily intended as a guide for the preparation of hotel fire safety law at the state or provincial level, the Guide can be adapted for municipal use by making appropriate changes.

## Exhibit Three Fire Movies

Three fire-fighting and prevention films, "Men of Fire," "Crimes of Carelessness" and "Smoke Eaters," were shown at a Blue Goose luncheon meeting at Springfield, Ill., by Jerry R. Dilman, special agent Continental, assisted by Richard Kaylor of the Harvard Park Dads' Club. The films also were exhibited at a meeting of the club and in the Harvard Park grade school.

## Grenning in Training

Robert M. Grenning, graduate of the University of Illinois engineering course, is entering practical training in fire protection engineering at the head office of Hendricks Engineering Corp., Chicago. President Allen E. Hendricks has instituted a system of drafting young engineering graduates and giving them a thorough schooling in fire protection at the head office and in the field.

## Comfort New Oakland Head

Newman Comfort, veteran agent, has been elected president of Oakland (Cal.) Assn. of Insurance Agents, succeeding C. B. DeVilbiss. Elected to the executive committee were Don Doyle, C. P. Goemmer and Ed. Smith, Jr.

John S. Ross has joined the George W. Flynn Co. at Jamaica, N. Y. Mr. Ross has been special agent for the St. Paul group in Connecticut and western Massachusetts. He entered insurance with Travelers in 1937 and then joined Crum & Forster group in underwriting and engineering. He was in the army for three years, rising from private to captain. He returned to Crum & Forster, became special agent for suburban New York for Republic, then went with O'Brien, Russell & Co. in Boston.

S. L. Bodman of Marine Office of America is addressing a luncheon meeting of St. Louis Insured Members Conference Sept. 28 on "Commercial Inland Marine & Floater Insurance."

## Chicago Blue Cross Raise Doesn't Bring Insurers Business

Expectations that the raise in Blue Cross rates in Chicago would result in the shift of many hospital plans to insurance companies have failed to materialize. Early in the summer when the new rates went into effect there were numerous requests for information and the insurance companies submitted many proposals to firms carrying Blue Cross. By now the prospects have grown cold and few if any such groups were rewritten. There have, however, been several new groups which may have gone to the companies because of the rate hike.

## Aggressive Competition

It was not the fault of insurance people that the changeovers were not effected. Producers carried on comprehensive programs and several companies pushed campaigns to show their rates and coverages are better than Blue Cross. The responses and requests for information indicated that many employers, employees and labor union officials were alarmed by the Blue Cross rate raise. Many proposals were submitted and a great deal of information was furnished by insurance people. But that was where it ended. Apparently the raise had been enough to upset the public, but not enough to cause an exodus from Blue Cross.

There are still insurance people who feel that they will have their innings. They forecast another raise in Blue Cross rates within the near future and think that this time the public will be stung to action and come to appreciate what insurance companies have to offer. Insurance people comment that the Blue Cross strategy has been to raise rates gradually enough so as to ease the shock. If the jump to the eventual level were made all at once it would have driven many from the Blue Cross fold. They say that the hospitals are continuing to put pressure on the Blue Cross for further rate increases. They claim the hospitals are still losing money on Blue Cross patrons and are forced to take in settlement whatever the Blue Cross has on hand. Often this amount falls short of what the hospitals want and need. Very few of them see how Blue Cross can continue at present rates with their current experience and expenditures.

## F.I.A. Managers Confer

The managers' conference of Factory Insurance Assn. was held at the Edgewater Beach hotel, Chicago, Monday, Tuesday and Wednesday of this week. The conferees included President C. W. Pierce; W. H. Forristal, assistant to the president; Frank D. Ross, vice-president; H. L. Grider, western manager, and Walter Sundstrom, assistant western manager; Frank French, San Francisco manager, and Howard Germain, eastern manager.

## Opens Jacksonville Unit

U. S. F. & G. is opening a branch at Jacksonville, with Will Love as manager. He was formerly associate manager at Atlanta. J. Alexander Bartlett becomes manager at Atlanta where he has been assistant manager for many years. Karl D. Burgess, a field man, will be assistant manager.

## Medical Jurisprudence Course

Courses in medical jurisprudence offered by the school of insurance of the Insurance Society of New York have broadened this year. Admission to either class is by interview only and immediate registration is urged. The basic course will be given by Dr. John Brinkman, and the advanced course by Dr. George I. Swetlow.

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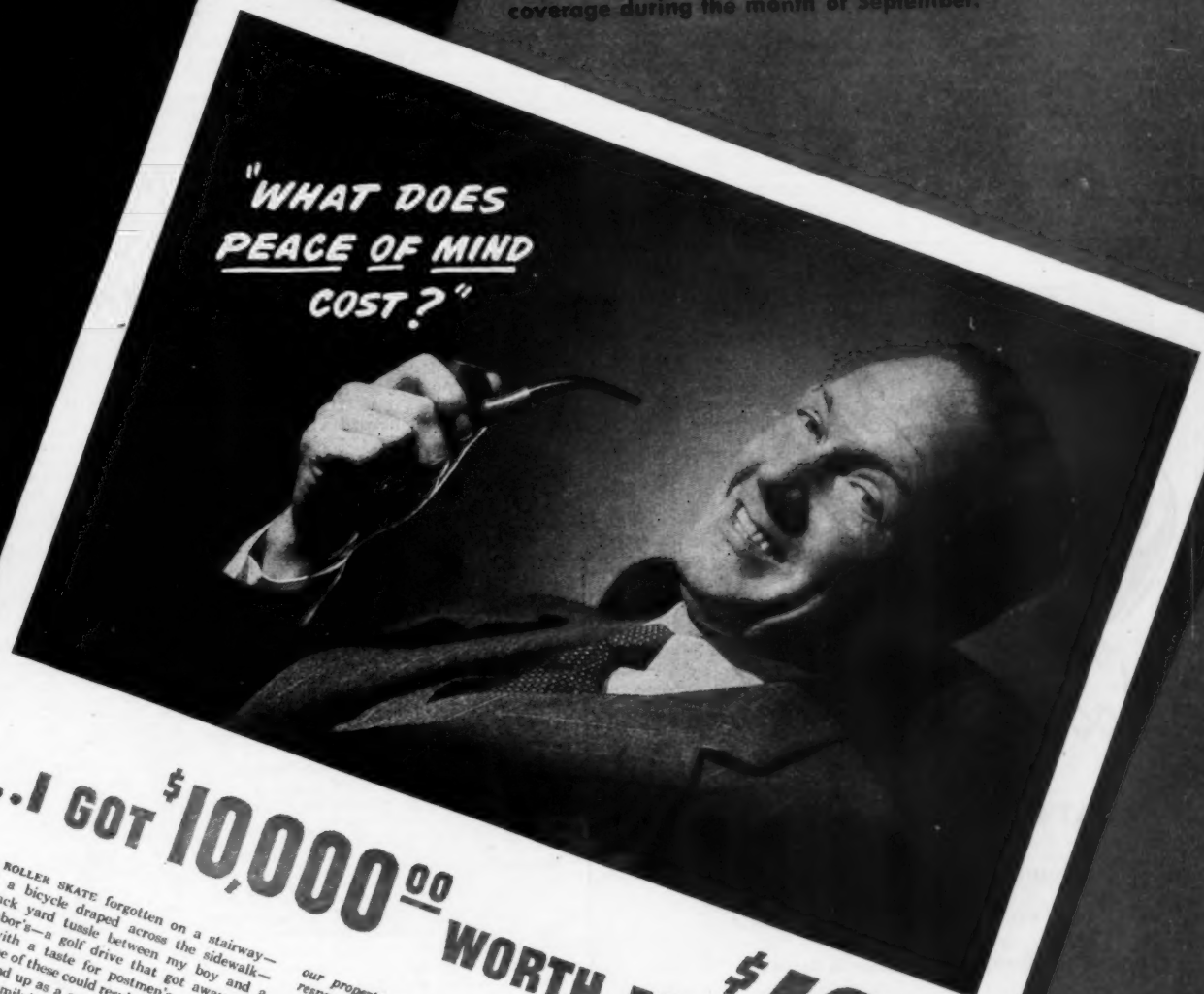
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## Gives Ohio Agents Close-up View of Fire Prevention

Ed. Knoop, Jr., chairman executive committee of Ohio State Fire Prevention Assn., and special agent of Home, in addressing the annual meeting of Ohio Assn. of Insurance Agents, recalled that his association has been operating since 1905. It has been the principal plank in the fire industry's public relations platform for 43 years.

The association started out inspecting cities and county seat towns. It was thought that the larger this town, the more "public" would be contacted and benefited.

In larger cities it would take 100 or more inspectors several days to complete an inspection. All mercantile buildings, schools, churches, hospitals, theatres, public buildings, and office buildings—in fact, everything except residences—would be checked for fire hazards. All schools were furnished speakers and were timed and graded on fire drills. The highlight of a town inspection is a public luncheon or dinner with a prominent speaker to address the local businessmen and women and make

an emotional appeal for universal fire prevention consciousness.

It worked out that each town could be inspected approximately every 10 to 12 years.

### Gradual Evolution

There has been a gradual evolution in this procedure. The big cities have grown bigger and most of them now have a full time fire prevention squad as part of their paid fire department. Those not having such a squad require inspection service from the regular firemen. Our present-day operation has switched to a helping hand to these department inspectors rather than a full town inspection in the big cities. We send a picked corporal's guard to spend a day with the firemen on actual inspections to brush up their technique and pass on our experience.

This elimination of the largest cities freed our man-power so that under the impulsion of the governor's fire safety committee, we have now embarked on a program of small town inspections

and have been covering towns of as low as 250 population. We have found that these small communities are more appreciative and cooperative. This has opened a new opportunity for local agents to assist in this public relations work.

Many larger town agents have a small town or two where they have sufficient business to make regular trips. Few special agents make regular calls on these small towns. The agent, by serving as contact man between the local community and the fire prevention association for the preliminary and follow-up details could perform a real service to the town and establish an effective public relations program for this agency.

In larger towns where a local board exists every agent should avail himself of the opportunity to participate in the preliminary arrangements.

"Were I an local agent, in a town preparing for a town inspection I would want to participate in the committee work—and I mean work—for the man who makes the contacts is the man who will be remembered." Contacts must be established with the mayor, chief of police, chief of fire department, publishers, chamber of commerce, safety director, ministers, radio owners and announcers, service clubs, and school superintendents.

Arrangements must be made for a headquarters, a banquet hall, printing, and distribution of tickets, etc.

### Invite Clients to Luncheon

Also the agent should sell luncheon tickets to his principal customers or use some of his advertising funds to purchase tickets and invite as guests those who most needed a treatment on fire safety.

A recent addition to the program is a briefing school for the scouts who act as guides for the inspectors. After the inspection a quiz is given and prizes awarded the winning scouts.

The association will furnish speakers for any group regardless of size, if given sufficient notice. A three-character skit for the use of P.T.A. or other women's clubs has been gotten up. This skit complete with stage prop suggestions, will be furnished upon request and can be put on by the members of any club. It has proven entertaining as well as educational and the reaction from groups who have used it has been excellent.

Zanesville Insurance Women have a team who have put on the skit a half-dozen times, even coming to Columbus to show the special agents what a fine job can be done with it.

### Hospital Questionnaire

Walter Hilton, now secretary-treasurer, discovered during a town inspection that one hospital had a fire prevention questionnaire as a part of the nurses' training program. He obtained permission to revise and distribute the questionnaire to other hospitals. This led to obtaining our evacuation program from another hospital. Again he obtained permission to enlarge on the program, and it has been printed and is now available for distribution. We are now furnishing an instructor for a day for each class of nurses where requested. We also furnish engineers to adopt the evacuation program to the particular buildings and personnel of any hospital or institution desiring service.

The office is kept open 40 hours every week. All the latest mailing pieces and posters are on display and quantities are available upon request. There are also several talking films available for local club or school programs. The only cost is the return postage. Scripts for radio spot announcements on fire prevention are available.

"If your town has a fire prevention problem, tell us about it. There may be an answer or at least a proper approach to get the ball rolling in the right direction.

"We won't get to your town for a full-scale inspection oftener than every 10 years. It is up to you on the local front to carry on a continuous program in the interim."

## North America Wins Third 'Oscar' for Annual Report

For the third time in the last four years, North America has been awarded an "Oscar." In the final ratings of judges for the Financial World annual report survey, North America was judged as having the best 1947 annual report of the property insurance industry.

The bronze "Oscar of Industry" trophy will be presented to J. Kenton Eisenbre, secretary-treasurer of North America, at the awards banquet at New York Oct. 21.

In the property insurance industry category, Kansas City F. & M. was runner-up for top honors, while American took third place.

## Gordon Fox, Surety Leader, Now M. & M. Vice-President

Gordon Fox, veteran surety manager of Marsh & McLennan at Chicago, has been promoted to vice-president. He for years has been one of the best known men in his field in the middlewest. He started in the business in 1911 and has been with Marsh & McLennan since 1919.

## Ohio Pick-ups

As has happened several times in recent years, Ohio Assn. of Insurance Agents encountered hot weather for its annual meeting at Columbus. A heavy rain storm Monday morning delayed many motorists and forced the sessions to start late, but failed to break the heat. As a consequence, countless sessions were the order of the day.

The heat and the rain, however, failed to handicap the opening simultaneous sessions. Both smaller meeting rooms were uncomfortably jammed. In fact, about the only general criticism of the program was the staging of these subjects—rate regulation, agency advertising, agency problems and local board problems—early in the meeting, when some members could not attend and simultaneously, so that no one could attend all.

Fidelity & Deposit had an impressive lobby display, plus coffee and doughnuts and local telephone service at all hours, which made the display an important rendezvous. The company also continued its custom of distributing a morning newspaper. D. L. Buckler, associate agency manager, represented the home office. E. K. Jamieson, resident vice-president, and C. F. Herwig, manager, were on hand from Cleveland, as was G. R. Freaner, Columbus manager. W. E. Show, Cincinnati manager, was forced to miss the meeting because of an emergency operation.

M. J. Wynn, secretary, was on hand from the home office of Ohio Casualty, in addition to three state office managers, A. A. Stahl, Columbus; Ferris Myers, Dayton, and Harold Bent, Toledo.

State national director J. F. Van Vechten, Akron, in introducing John C. Stott, at the convention of Ohio Assn. of Insurance Agents revealed that he and the N.A.I.A. vice-president are fellow-townsmen, both having been born at Green, N. Y., though the families of each moved away before they could know each other in childhood.

Boston and Old Colony had headquarters in charge of W. D. Cameron, Lansing, assistant western manager, flanked by State Agents H. W. Rollins, Columbus; T. A. McLean, Cincinnati, and Clarence Brown, Cleveland, and Horace Burkley, Columbus, manager survey department.

Buckeye Union had a strong home office representation, including President F. E. Jones, I. L. Morris, secretary and general manager, and S. W. Schellenger, agency superintendent. Buckeye Union Fire was represented by A. B. Gibson, vice-president, J. A. Dodd, Jr., assistant secretary, and W. T. Cuddy, special representative.

L. E. Kietzman, secretary, represented the home office of American.

Oscar Belling did double duty at the meeting. After talking on agency systems and production Monday afternoon, the Royal-Liverpool agency superintendent was drafted to play the piano at the dinner. The audience followed him more closely and gave him a much bigger hand than the professional musicians who opened the dinner.

C. W. McDonald, superintendent of agents, was on hand from the home office of Dearborn National, assisted by State Agent J. B. Tetlow, Columbus.

William Rardin, Cleveland, and G. W. Wheaton, Columbus, both state agents for Agricultural, maintained headquarters.



# You look mighty happy—

WHAT'S HAPPENED TO YOU?

Why shouldn't I?

I've just visited my CAMDEN FIRE agent's office... he made a survey of my insurance and showed me in plain English how well I am insured. I certainly have a much better impression of insurance agents than I ever had before. Those CAMDEN agents know their business.



A Company is Known  
by the  
Agents It KEEPS

The Camden Fire  
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### Third report

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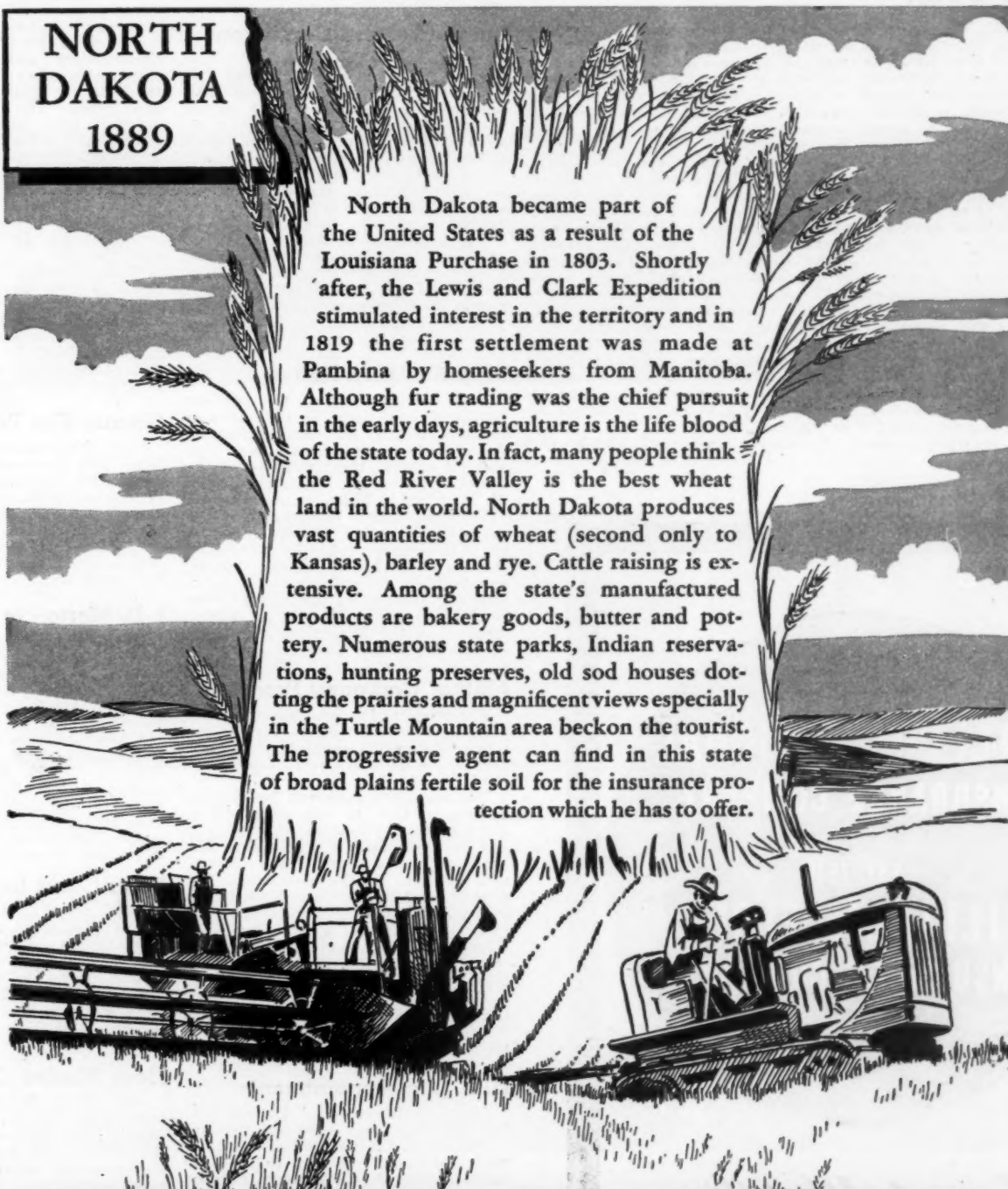
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## NORTH DAKOTA 1889

North Dakota became part of the United States as a result of the Louisiana Purchase in 1803. Shortly after, the Lewis and Clark Expedition stimulated interest in the territory and in 1819 the first settlement was made at Pambina by homeseekers from Manitoba. Although fur trading was the chief pursuit in the early days, agriculture is the life blood of the state today. In fact, many people think the Red River Valley is the best wheat land in the world. North Dakota produces vast quantities of wheat (second only to Kansas), barley and rye. Cattle raising is extensive. Among the state's manufactured products are bakery goods, butter and pottery. Numerous state parks, Indian reservations, hunting preserves, old sod houses dotting the prairies and magnificent views especially in the Turtle Mountain area beckon the tourist. The progressive agent can find in this state of broad plains fertile soil for the insurance protection which he has to offer.



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UNITED STATES FIRE INSURANCE CO. . . . .	Organized 1824	RICHMOND INSURANCE CO. of New York . . . .	Organized 1836
THE NORTH RIVER INSURANCE CO. . . . .	Organized 1822	THE WESTERN ASSURANCE CO., U. S. Branch . . . .	Incorporated 1851
WESTCHESTER FIRE INSURANCE CO. . . . .	Organized 1837	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh	Organized 1868	SOUTHERN FIRE INSURANCE CO., Durham, N. C. . .	Incorporated 1923

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## Broker Deplores Failure to Reconstitute I.U.B.

NEW YORK—T. W. Bailey, vice-president of Marsh & McLennan, in addressing a meeting of Risk Research Institute here said that failure to reconstitute Interstate Underwriters Board has resulted and will result in substantial increases of insurance cost to many buyers. He said National Assn. of Insurance Brokers has offered to assist insurers in restoration of a rating practice for I.U.B. risks which will permit the buyers to continue to receive rates and forms that were available previously and which can be continued under the existing legal situation. He vouchsafed that it was not the intent of Congress nor of the states to increase the cost of insurance to the buyer.

In speaking on what the broker expects from the buyer, Mr. Bailey said that the broker must have intimate knowledge of certain phases of the business of his client which the latter must impart to him freely and accurately. Full details are needed in order to fashion fidelity and theft coverages cor-

rectly and in the liability line the buyer should establish a system whereby he will be kept informed of contracts that involve assumed liability and will review these with the broker.

### Need Value Reports Promptly

The broker wants the client to furnish him with proper values as promptly as possible. In this connection he said that the broker might be criticized for tardiness but he said that the delivery of policies is exceptionally difficult these days due to the fact that so many more companies have to be used than in the past.

The buyer should be especially careful in preparing values for fire insurance, due to the effect of inflation. Preparation of U.&O. values under the present form based on annual gross sales is comparatively simple, the principal factor of judgment being as to what constitutes ordinary payroll.

The buyer should take full advantage of the fire prevention and safety services of the broker so as to secure the most favorable underwriting contract. The broker depends upon accurate and complete information regarding marine risks because most marine lines are written on the basis of individual experience.

The buyer must work closely with

the broker in analyzing his power situation and its possible interruption. Sometimes it will be found that an entire plant may be dependent upon a single pump or a single fan and the decision may be to purchase a duplicate unit rather than U.&O.

## Large Western Contingent to Chicago Conference

The Far West Agents Conference will hold a meeting Oct. 4 at the Stevens Hotel in Chicago during the annual convention of the National Assn. of Insurance Agents. Kenneth L. Nehring, Tucson, conference chairman, called the meeting and has issued to members a list of subjects to be placed upon the agenda.

The California association has chartered a special car on the Overland Limited which leaves Oakland Sept. 30 and reaches Chicago Oct. 2 in time to permit the California delegation to attend the National's executive committee meetings Saturday and Sunday.

## Map Southern Parley

The first meeting of the southern territorial conference in the series of regional meetings scheduled by National Assn. of Insurance Agents next year, will be held at the Sheraton-Bon Air Hotel, Augusta, Ga., March 25-26. John M. Mumford of Miami is chairman.

William F. Law of Augusta will be general chairman. Arrangements for the meeting were made by Thomas B. Boyle and H. Pierce North, president and manager respectively of the South Carolina association, and Scott Nixon of Augusta. Clant M. Seay, Jackson, manager of the Mississippi association, is secretary of the conference.

## Mutual Company Program

The program has been completed for the general sessions during the convention of National Assn. of Mutual Insurance Companies at Hotel Lowry, St. Paul, Oct. 11-13.

The opening session will be held the evening of Oct. 11 and talks will be given by Gov. Youngdahl of Minnesota and L. A. Mingenbach, executive vice-president of Hardware Dealers Mutual and president of the association. The next general session will be the next afternoon featuring Commissioner Harris of Minnesota and a report by Harry Cooper, Jr., of Indianapolis, association secretary. The next afternoon will be held the final general session at which there will be given committee reports and the election of officers will be held.

Additionally, there are numerous meetings of various sections.

## U. S. Life Appointments

American International Underwriters has been appointed general agents for U. S. Life at Chicago and at Washington. A.I.U. will be able to write all forms of life, A. & H., hospitalization and group insurance.

Joseph G. Orr has been appointed head of the life and A. & H. department of A.I.U. Agency, Inc., at Chicago. He was formerly manager of the brokerage department of Federation Agency. Prior to that, he had 10 years of selling experience with several companies.

A manager will be appointed shortly for life business to be written through A.I.U. branch office at Washington.

These A.I.U. agencies can now handle a complete worldwide program of insurance protection including life.

## Becker Opposes Sullivan

Commissioner Sullivan won the Democratic nomination for reelection with ease in Washington primary, while Fred C. Becker, Seattle manager of Great-West Life, had a wide margin over his nearest rival, Col. George B. Lamping, for the Republican nomination. Becker and Sullivan opposed each other in the 1940 general election. In 1944 Col. Lamping was Sullivan's opponent.

## New Pa. President Active In Membership Work

W. Howard Stewart of Helmbold & Stewart, Clearfield, who was elected president of Pennsylvania Assn. of Insurance Agents this week, has been vice-president and membership chairman for the past two years. During that time the association has had a record growth.

For the past two years Mr. Stewart has also been president of Central Assn. He was largely responsible for the organization of this board 10 years ago.

The firm of Helmbold & Stewart was founded eighty years ago. His father was active in building of the agency in its earlier days.

Mr. Stewart was a major in the army air corps during the last war.



W. H. Stewart

## Discuss Fire Prevention

LOS ANGELES — Southern California Fire Underwriters Assn. devoted its first fall meeting and largely to Fire Prevention Week, and to the F.U.A.P. library, a branch of which is now in operation here in a limited way.

Speakers were John Colton of F.U.A.P. and Herbert Kirschner, public relations counsel.

## J. D. Morton to Cal. Field

D. W. Johnson has resigned as special agent in southern California for National Fire to enter another line of business. He has been with National since 1945.

Special Agent J. D. Morton is being transferred to the southern California and Arizona field to work under the general supervision of Regional Assistant Manager C. H. Warren. His headquarters will be Fidelity Building, Los Angeles. He has been with National since 1945 in the mountain states. During the war he attained the rank of captain in the air service.

## Form Coast Insurance Co.

LOS ANGELES — Coast Insurance Co. of Los Angeles has been incorporated with \$1 million authorized capital. Directors as shown in the article of incorporation are F. A. Moore, Los Angeles agent; Willis Meyers, Los Angeles attorney, who handled the incorporation, and Ted E. Sanders, Inglewood, Cal.

## Hear Marine Officer

Lt. Col. D. N. Otis of the marine corps addressed St. Louis Blue Goose Monday, and showed motion pictures of the Pacific war zones. The meeting also received reports from the grand nest meeting.

## FIRE UNDERWRITER

A prominent and successful mid-west General Agency has asked us to select a man to head up its Fire Department. The requirements include a thorough knowledge of fire insurance and ability to manage and maintain high grade contacts. This position offers exceptional opportunities.

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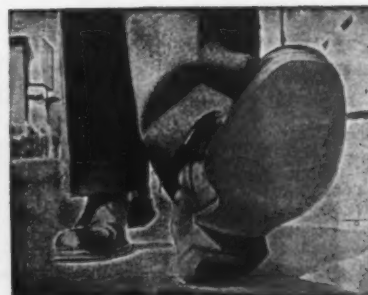
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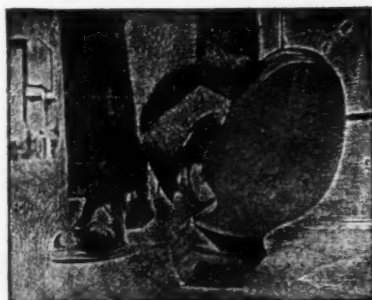
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## means success under any conditions



Lambert photo

# The National Fire Group

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MECHANICS and TRADERS INSURANCE COMPANY



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485 MCGILL ST., MONTREAL 1, P. Q., CANADA

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

## Pacific Rating Bureau Licensed

LOS ANGELES—Commissioner Downey has granted Pacific Fire Rating Bureau its license to operate as a rating organization. The license was issued following Deputy Commissioner Benjamin's handing down a second amended decision in the hearing on the case, in which he found that the certificate of amendments to its rules filed by the bureau met the requirements of the insurance code and the rate regulatory act.

## J. S. Kemper Gives Warning

Some 150 Latin American business leaders gathered at Chicago this week with U. S. businessmen for the plenary meeting of Inter-American Council of Commerce & Production, were advised not to wish a Marshall plan for themselves without making exhaustive studies of its possible effect on their free enterprise economies.

James S. Kemper, council president who is chairman of Lumbermen's Mutual Casualty, sounded this warning in his keynote address, and said it was

based on fears already being voiced by European businessmen.

"Our counterparts in Europe," said Kemper, "unanimously deplore the fact that under the Marshall plan too many American dollars are being used to fasten the yoke of socialism around their necks."

One trouble which he said has been expressed to him by numerous European businessmen is that windfall aid of this kind places recipient nations under extreme political pressure at home to spend the money for public works and other social projects which are not self-liquidating.

## Hall Joins Griswold & Co.

C. Maurice Hall has joined the New York City brokerage firm of Griswold & Co. as vice-president. He will merge his own business with the new firm and manage the life division there. Earlier he was with Marsh & McLennan.

## MISC EAST BRIEF

Miss Ruth Linsenmayer has been installed as president of Insurance Women of Harrisburg, Pa. Mrs. Patricia Hoopy and Miss Mary Martin are vice-presidents; Miss Audrey Meyer and Miss Ruth Hollenbaugh, secretaries, and Miss

## Export Control Issue Is Still Undecided

WASHINGTON—Samuel Klaus, State Department official, formerly advisor and special assistant on enforcement of export control to the Department of Commerce office of international trade director, says that in the earlier capacity he submitted proposed regulations to OIT designed to deal with violations of export controls, including provisions governing marine insurance of exports. The regulations are reported "still pending." Klaus testified before a Senate small business subcommittee and was interviewed by THE NATIONAL UNDERWRITER.

He said the proposed regulations were designed to put parties on notice in cases where something wrong was suspected. Under general law, he thought, insurance on illegal transactions is not valid and losses could not be collected. However, that legal principle "had not been reflected in actual practice," he said, and insurance companies might pay, "whether there was violation of export control."

Klaus said he wanted to make it clear on the marine policy that on export transactions non-insurable losses would not be paid.

Question had been raised by individual New York insurers, he said, that they would prefer such a system to be voluntary on their part, instead of there being legal liability not to pay. His negotiations with marine companies had not been finished when he transferred to the State Department July 1, Klaus said. He had been seeking advice and cooperation of New York marine brokers to see whether a practicable plan could be evolved under which insurers could work.

Nathan Ostroff, general counsel, office of international trade, says the Klaus proposal was submitted in rough form as a suggestion and is still in the drafting process. Ostroff said it is intended to circulate the proposal when finally drafted to the marine insurance industry for consideration. It was indicated industry comments would be welcome. Some officials believe a voluntary plan would be preferable if it would obtain practical results, as it is admitted nobody likes a law or regulation having force of law to comply with.

## Southern Cal. Losses

LOS ANGELES — Fire insurance losses in Southern California due to recent forest fires and explosions total up to some \$485,000.

Losses from the Ojai forest fire are fixed at \$182,000, with Fireman's Fund, Aetna Fire, Pacific National, Boston, Founders Fire & Marine, Pearl, Camden, Northwestern F. & M., Union Insurance Society, Liverpool & London & Globe, Canadian, Ohio Farmers, New Zealand and Ventura County Mutual on the line.

Connected with the Ojai loss is one of \$55,000 on the El Rancho Rinconado orchid farm, with Boston and Founders F. & M. on the loss.

Explosion at the Chrysler Corp. plant is reported at \$100,000, and compensation coverage losses to be added.

Basin Oil Co. crude oil storage farm fire loss is estimated at \$100,000, with P.D. and excess liability losses involving three deaths, at least seven injured and limited property damage at a nearby trailer camp.

Idylwild mountain resort fire loss is set at \$50,000, with U. S. Fire, Phoenix-Connecticut group, Fireman's Fund, Manhattan F. & M., Continental, Glens Falls and Hartford Fire on the line.

## N. J. Bond Bill Signed

Acting Governor Summerill of New Jersey has signed a bill providing that bonds on bank employees may not be canceled unless notice is filed with the banking and insurance commissioner at least five days before the effective date of the cancellation.

## Five New V.-P.'s at N. Y. For Marsh & McLennan

NEW YORK—Marsh & McLennan, with headquarters here, has promoted the following assistant vice-presidents to vice-president: L. M. Burch, manager of the bond department; E. H. Driggs, R. J. Lathrop, W. C. Lippencott, and A. A. Quaranta, who headed the placing department. All have been with the firm for many years.

Mr. Burch started with M. & M. in 1917 as assistant casualty manager. After serving in the first war he returned to M. & M. and eventually became bond manager.

Mr. Driggs graduated at Princeton in 1917. He served as a lieutenant in the first war and then joined his father in the insurance business at New York, and later formed his own agency. He joined M. & M. in the production department in 1941. He is president of Sleepy Hollow Country Club.

Mr. Lippencott was at one time head of the New York Central Railroad insurance department. He was a second lieutenant in the air service in the first war. Afterwards he was with American International Corp. until 1921 when he joined M. & M.

Mr. Quaranta attended Manhattan College. He was with Pacific Fire from 1914 until he went with M. & M. in 1920 as head of the placing department.

Mr. Lathrop is a law graduate of Notre Dame and was a football playing colleague of Knute Rockne. He served as a captain in the first war, and then went with Travelers at Milwaukee. He later became life manager at Peoria and then at Brooklyn, and later was assistant superintendent of agencies at the home office. He has been life department manager of Marsh & McLennan at New York since 1931.

## Zone 2 Meets Oct. 14-15

Zone 2 of National Assn. of Insurance Commissioners will hold its semi-annual meeting at the Neil House, Columbus, O., Oct. 14-15. The previous day the rating bureaus of the participating states will meet. States to be represented are Ohio, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina and District of Columbia. Bowles of Virginia is zone chairman.

## Opens Cincinnati Branch

Wm. H. McGee & Co. has opened a branch office at Cincinnati under John C. Schuler. He has had 20 years of marine experience.

## OUR SPECIALTY

### All Coverages on

Local Trucks  
Long Haul Trucks  
Busses  
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That our Founders set the roots of our companies so firmly in the good soil of integrity and wise financial practice has profoundly affected their development through the years. It was the firm belief of those leaders that in order to become strong and successful an insurance organization should constantly build up its reserves in increasing proportion to the growth of liabilities.

The period of the Commercial Union-Ocean Group's history in the United States has marked an era of unprecedented industrial progress. Building constructively on the fundamental principles of our founders, we have successfully met the needs of a changing age by staunchly advocating and supporting improved methods and the adoption of necessary new forms of insurance protection in the common interest of the Policyholder, Agent and Company. The soundness of these foresighted principles is proved by the progress we and our agents have achieved.



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Commercial Union Assurance Company Ltd. . . . .	Since 1871
The Ocean Accident & Guarantee Corp., Ltd. . . . .	" 1895
American Central Insurance Company . . . . .	" 1853
Columbia Casualty Company . . . . .	" 1920
The California Insurance Company . . . . .	" 1864
Union Assurance Society Limited . . . . .	" 1881
The Palatine Insurance Company Limited . . . . .	" 1901
The British General Insurance Company Ltd. . . . .	" 1920
The Commercial Union Fire Insurance Co. . . . .	" 1890

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## Idea of Wind Deductible Is Extensively Aired

The question of whether to introduce a windstorm deductible in the middle-west is being pondered by executives these days. The idea originated in the East and the idea has been extensively studied there and in the southeast.

The opinion is divided in managerial circles in the west. Some are decidedly opposed to the move, but there are others on the fence who desire to investigate all the considerations pro and con. The idea has met resistance on the part of agents and brokers in the east and it is predictable that a similar reaction will be encountered in the west.

Those who are leaning towards the idea of a deductible are influenced as much by the possibility of saving handling costs and manpower in connection with a multiplicity of small claims, as they are by considerations of restoring extended coverage to the profit column or preventing it from becoming a consistent loser.

The western departments still have in mind the storms of March 19 and March 26 that developed a total of some 100,000 claims, principally in Illinois, Indiana, Michigan and Ohio. A great many of these losses still have not been disposed of and the detail work is burdensome and distracting, especially due to the lack of enough properly trained clerks. There were numerous sizable losses in that storm, but for the most part, the claims were for piddling casualties and one executive remarked that he felt that the \$100,000 that his company paid out as a result of these losses served very little economic purpose. He contrasted this payment with the \$100,000 that his company paid in the Woodward, Okla., tornado of 1947 and remarked that the Woodward payments represented the true insurance function of indemnifying for calamity.

### Differs By States

Some of the middlewestern states have given a consistent profit on extended coverage, but others either are always on the borderline or show up with a deficit. In this day of rate regulation, there is the possibility that the extended coverage rates will have to be shaved in the profitable states, and there will be little or no contribution from such states to the entire middlewestern experience.

The majority opinion at the moment in the west is opposed, however, to the deductible. Use of such a plan would require a considerable reduction in rates and there is an unwillingness to approve a step that would permanently eliminate such a large block of premium.

### Bostonians Are Promoted

Otto F. Hauck, secretary, and William K. Ousley, field manager, were also elected vice-presidents of Boston Manufacturers Mutual Fire.

Mr. Hauck has been with the company 41 years and has been secretary since 1944.

Mr. Ousley joined the company in 1941. He has been district manager at Toledo and New York and was made field manager earlier this year.

F. Winthrop Harvey, assistant secretary, was elected assistant vice-president and chief underwriter.

George A. Shattuck, chief engineer, was elected assistant vice-president and chief engineer, and David G. Cameron was elected assistant secretary.

### Carlson with Finch & Co.

Arthur C. Carlson, underwriter in the fire and casualty departments of the Osborn & Lange agency, Chicago, for 32 years, has resigned and become associated with the Clarence E. Finch & Co. metropolitan supervising agency there.

He will do underwriting and handle other office work as well as considerable production in the Cook county field. More recently with Osborn & Lange he has handled the Cook county underwriting.

Mr. Carlson started in business with the old Calumet Fire as a map clerk and subsequently did similar work for America Fore and Royal-Liverpool before joining Osborn & Lange.

W. E. Arey, member of the state highway patrol for 14 years, has been appointed safety engineer for the J. Gordon Gaines agency, Akron, O.

### Brooklyn A. & H. Men Meet

Brooklyn Assn. of A. & H. Underwriters will hold its first lunch meeting Sept. 29. Speakers will include O. J. Breidenbaugh, National association executive secretary; his assistant, Wesley J. A. Jones, and George J. Richards, Monarch Life, Hartford, member of the national executive board.

### Home Names Two in Cal.

Home has appointed Albert L. Greefens special agent at Fresno, Cal., effective Oct. 1. He joined Home in 1945

as an underwriter after three years in the army.

Verne G. Watts has been appointed special agent of Home at Los Angeles. He was an inspector of Indiana Inspection Bureau before acquiring his own agency in California.

United States Life was elected a member of the Bureau of Accident and Health Underwriters.

Racine, Wis., is being inspected by National Board.

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## International Marine Insurance Report

(CONTINUED FROM PAGE 1)

of London underwriters or to Lloyds should be deemed sufficient notice no matter where the cargo is insured. Foreign underwriters would thus be unable to reject a claim by pleading lack of notification provided either the Institute or Lloyds had been notified.

The most important announcement was that it was recommended to the national associations that they should return to the 1938 waterborne only agreement, including the transshipment for a limited period of 15 days. This leaves out the risks on canals and means a return to substantially the coverage only of war risks on the high seas. It is hoped that the matter can be agreed upon before the end of October.

Another proposal is that there should be a 48-hour cancellation clause. It should be added that the decision to make these recommendations was taken by an overwhelming, if not unanimous, decision of the council. A. B. Stewart, chairman of the joint hull committee, gave an excellent survey of the work of the council during the past year, including the amendments made in the joint hull understanding earlier in the year, at which certain premium rates

were raised somewhat because it had been found that the previous reductions had been a little premature. The joint hull understanding has been in operation for a matter of 11 years and he claimed that it had been of benefit to the market and provided equity as between shipowner and shipowner. Mr. Stewart also took the opportunity to thank the Scandinavian marine underwriters for the promptness with which they supplied material for rating ice risks, in accordance with the recommendation at Cannes that the Scandinavian system should be adopted as fairer all round than the British system.

### Disbursement Clauses

On the subject of the disbursement clauses, it was stated that a new clause was under consideration in the British market, the terms of which would shortly become available. It would check the recent tendency to increase disbursements insurance, under the plea that a vessel's value had been substantially enhanced for reason of a long term time-charter hire.

Harold H. Mummery, marine underwriter to London Assurance and deputy-

chairman of the joint hull committee briefly supported his chairman. He stressed once more that marine underwriters would be in difficulties if the joint hull understanding were to collapse and unrestrained competition set in.

From the body of the hall, Dr. J. R. Goddard, of M. van Marle, Rotterdam, said he thought not sufficient allowance was made for the good shipowners, and that the views of the British market ought not to govern foreign hull rates and conditions. On the contrary the terms should be left to the home market which was in a far better position to assess the actual risks. In a short reply Mr. Stewart stressed that the work of the joint hull committee could not be perfect but he insisted that, in general, equity was obtained as between shipowner and shipowner, home as well as foreign.

H. M. Boot, general manager of Vesta Ins. Co., referred to the vexed question of the onerous clauses bankers demand to be introduced into many policies. He informed the meeting that suitable steps were being taken to take up the question with the banks, particularly in respect of the position in the Near and Middle East.

### Improvements Are Forecast

There is no immediate prospect of a limitation of general average, but rather of effecting some improvement in the present system, particularly by cutting out general average where the amount involved is too small to make general average adjustment worth while.

Mr. Kihlbom also reported on an international convention for the introduction of a through bill of lading. He had prepared a big diagram showing an imaginary voyage and the complexities of legal settlements of claims owing to the different degrees of carriers' liability at the various stages of the voyage.

Mr. Dowlen, in referring to the recommendation to maintain combined marine surcharges, mentioned in particular that these surcharges were imposed to meet increased risks and that although some of the reasons for that risk had disappeared new reasons had appeared. One of these was the definite delay in ports because importers either could not get import licenses or could not get the necessary foreign currency to take up the goods.

### Lloyds Viewpoint

H. G. Chester, chairman of Lloyds Underwriters' Assn., dealt with the matter from Lloyds point of view. A majority, if not an overwhelming one, of Lloyds underwriters support the company market in the view that C.M.S. should be maintained and Mr. Chester would go back and loyally recommend that they should continue to be maintained also in the future. As a true British individualist he was, however, not himself of that opinion and made an impassioned plea for freedom to choose. He thought that enough experience had by now been gained to abolish the distinction between basic rates and surcharges and was convinced that rates could just as well be fixed without this necessarily meaning a lower rate than the two old rates combined. Mr. Mummery again expressed the view that there was danger of the bottom falling out of the market if C.M.S. were abolished. Harold Jackson briefly reported on the subject of recovery from carrier.

He stressed particularly the difficulties encountered by marine underwriters in obtaining recovery from foreign carriers. The Union would, however, in the future act as a clearing house for exchange of information on the subject.

Mr. Boot dealt equally briefly with the subjects of finishing and prolonged storage risks and the degree of limitation of shore risk cover in connection with the marine cargo risks. Mr. Briner reported that a reinsurance committee had been set up under the chairmanship of F. Rauwenhoff, general manager of the Universeel Reassurantie Mij. and expressed the hope that by next year some scheme would have been worked out enabling reinsurers to be

affiliated in some way with the Union. Dr. J. J. Kamp, chairman of Dutch Marine Insurance Union, briefly referred to the classification clause and the need either to define "liner" or to increase rates when the vessel reaches a certain age.

A reference was also made during the proceedings to the setting up of the Rhine Shipping Registration Bureau which is of great importance to all shipping and insurance interests along the Rhine.

In conclusion, Mr. Briner said that the five directors of the Union who were appointed at Cannes, Mr. Mummery, Mr. Stewart (Great Britain), Mr. Smeeesters (France), Captain Kihlbom (Sweden) and Mr. Jackson (United States) in the future would be known as vice-chairmen.

### International Law Assn.

The subject of general average bears a distinct relation to the work of International Law Assn. which held its Congress at Brussels, earlier this month. At that conference the French, supported by the Italians proposed application of the legal rate of interest applicable at the port of destination but not more than 5%. However after some discussion the following resolution was unanimously adopted:

"Notwithstanding anything to the contrary in rule 22 the rate at which interest shall be allowed under that rule shall in all cases be 5%; and this rule and the York Antwerp Rules 1924, shall be read together and known as the 'York Antwerp Rules 1924-1948'." On the question of limitation of the period of payment of interests, there was a choice between (i) imposing on the average adjuster the task of limiting the period or (ii) limiting it to five years, or (iii) preserve the status quo. The latter course was adopted and rule 22 was, therefore, not amended on this point. The French delegation also proposed that the general revision of the York Antwerp rules should be studied particularly of rule 21 (the 2% commission rule) and also of rule 16, amount to be made good for cargo lost or damaged by sacrifice) and rule 23 (treatment of cash deposit)—to which American shipowners in principle object. It was decided that the chairman, Lord Porter, should contact the Comité Maritime Internationale and the interested insurance bodies with a view to the examination of the possibility of such reform. After statements by American Arbitration Assn. and International Chamber of Commerce it was also decided that International Law Assn. should work out rules of arbitration using the French draft as a basis.

### Legislator at Binghamton

State Assemblyman Orlo M. Brees addressed a meeting of Binghamton Fire & Casualty Club, with more than 100 in attendance.

Round table conferences were in charge of J. W. Rose, Buffalo, secretary of New York State Assn. of Insurance Agents; Jack E. Baldwin, N.A.I.A. assistant secretary, and Roy A. Duffus, state president.

### Toledo C.P.C.U. Class

A C.P.C.U. review course at Toledo will start Sept. 29 under Prof. Adell of Bowling Green University. A group of 15 is expected. Dean Picton is chairman of the group.

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## Dineen Takes Broad Look at I.U.B.

(CONTINUED FROM PAGE 1)

use of a complicated system of underlying policies to tie in the unified rate with the rates filed and policy forms required in each state and to comply with local counter-signature laws, Mr. Dineen said the question arises why the companies spent so much time and money on non-productive efforts. The answer is, he said, that much of this was done to observe the letter of local laws while endeavoring to satisfy legitimate business needs of a national character. One of the reasons was a conviction that the autonomy of local rating organizations must be preserved. There was the fear that dual rating bureaus for local and national business with their competitive implications, might jeopardize the stability of the rate structure. There was apprehension that the creation of a national rating bureau for this class of risks might lead to a demand for extension to other classes and perhaps to sizable single location risks of the use of expense and loss experience modifiers.

Following the S. E. U. A. decision the first step taken by the industry toward a solution of the interstate problem was to secure formal recognition from N. A. I. C. of the principle that the character of this class of business justified national rating treatment beyond the mere averaging of specific rates. In other words the business sought approval of the practical rating methods developed by I. U. B. over the years. The N. A. I. C. committee on rates and rating organizations last April at Chicago approved in principle the position that the peculiar characteristics of these multiple location risks entitled them to special treatment. This report was accepted by the entire association at Philadelphia in June.

### Casualty Principles

Mr. Dineen went on to express the belief that the ideas of many commissioners have been markedly influenced by the arguments of the casualty business in favor of plans which provide for large risks, loss experience and expense modifications of basic rates. He said William Leslie, general manager of National Bureau of Casualty Underwriters, especially has done much to impress upon all hands the necessity for modern casualty rating plans which take into consideration the same general factors outlined in the industry reports on fire insurance national rating and in the paper of H. C. Conick of Royal-Liverpool at the June convention of the commissioners.

In June at Philadelphia the I. U. B. companies submitted a comprehensive rating plan reflecting the principles urged by the industry committee and by Mr. Conick and approved generally by the commissioners. It looked at that time as if the settling of this thorny problem was in sight. The only stumbling block was the technical question of whether I. U. B. should function as an advisory or as a rating organization.

### Difference In Treatment

Mr. Dineen cited the marked difference in treatment of rating and advisory organizations under most rating laws. In drafting the bills great care was taken to provide safeguards for those who were members or subscribers of rating organizations. This was done because such organizations are price fixing combinations prohibited by the federal anti-trust act unless regulated by the states. Because of the complexities of the fire insurance rate structure it is almost impossible for a company to function unless it is a member or subscriber of the rating bureau. Hence it is vital to give members and subscribers equal opportunities and provide safeguards for minorities.

Since advisory organizations do not make rates but simply assist insurers or rating organizations in the process the drafters of the legislation did not

feel it was necessary to surround them with the same safeguards. He said that to permit advisory organizations to carry on the functions of rating organizations would nullify the plain mandate of the law.

In the past I. U. B. has been nominally an advisory organization but has actually made rates. Commissioners felt that the errors of the past should not be repeated.

### Nine Rating Factors

The plan presented at Philadelphia took into consideration nine rating factors producing credits aggregating 75% limited to the maximum of 35% and debits aggregating 290% limited to a maximum of 200.

With a spread of 365% limited to 235%, Mr. Dineen said no two local rating organizations much less five or 10 of them working in their respective cubicles could ever apply these schedules independently with uniform results. Those advocating the plan admitted there would have to be a central organization to recommend a national rate but they contended that the

actual rate making function could be preserved in the local organizations by having I. U. B. "suggest" the rate on a purely advisory basis.

The commissioners, however, felt that this method could only function if I. U. B. actually made the rate and had the local organizations rubber stamp its decisions. If the local organization or several of them refused to be a mere automaton and actually use their own judgment the whole procedure would be thrown out of kilter.

### Aggregates Are What Govern

The insurance buyer and the underwriter thinks of country-wide risks in terms of aggregate premiums and aggregate losses. They do not think of the problem in terms of the individual states. The rate maker may find it helpful to secure from the local organizations specific rates in the various states but he must consider the risk on a country-wide basis. While each local rating organization may have all of the national data before it, there is a tendency to subordinate national considerations to purely local ones.

The question is whether under these circumstances the industry should, after having arrived at a country-wide rate, go through the formality of attempting

to subdivide the rate back into its individual state components so as to preserve the autonomy of local organizations whose advices have either been modified or disregarded in achieving the national rate. He suggested that buyers would lose confidence in the business if such uneconomic activities were carried on and the cost charged back to them.

When the commissioners refused to sanction the operation of I. U. B. on an advisory basis, the expectation was that consideration would be given to operation of I. U. B. as a national rating organization. The next development, however, was the shelving of the Philadelphia plan and the introduction of a new plan by a sizable group of stock companies calling generally for an averaging of the specific rates on a state by state basis and without the granting of any discounts or the imposition of surcharges. This was a radical departure from the Philadelphia plan. "It was," he said, "in many respects a return to the 1928 method of operation, which had been found to be unworkable."

Mr. Dineen recited several unofficial explanations for this reversal of opinion. One contention was that the Philadelphia plan had been abandoned because it was discriminatory. He said



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he was unimpressed by this argument because it meant that rates under the Philadelphia plan would have been non-discriminatory if "suggested" by I. U. B. as an advisory organization whereas the same rates would have been discriminatory if made by I. U. B. as a rating organization.

Another contention was that the companies were urged into this form of cut rate insurance by the big brokers and big buyers. Now that there is a sellers' market perhaps this ought to be stopped and this can be done by returning to the practice of averaging specific rates. The implication is that I. U. B. rates have been inadequate. In this connection Mr. Dineen cited the figures furnished by I. U. B. for the 17 year period 1930-1946 showing written premiums \$232,892,000, and paid losses \$124,521,000, ratio 53.5.

Mr. Dineen commented that if rate changes are required in this class of business it hardly seems necessary to abandon the entire system of debits and credits in order to provide the necessary corrections. A simpler method

would be to make appropriate changes in the debits and credits themselves.

In this connection he gave the results of a study of 623 I. U. B. risks with expirations of January, February, March and April, 1949, and some of December, 1948, showing that the aggregate 100% coinsurance tariff premium of these accounts was \$4,889,319 whereas the I. U. B. premiums were \$4,685,843 giving a reduction of 4.2%. There were five cases with discount over 25%; six, discount 20-25; 18, discount 15-20; 35, discount 10-15; 73, discount 5-10; 102, discount from 0 to 5 and 268 with negligible discount or none at all; 63 were surcharged from 0 to 5%; 18 surcharged 5 to 10; 18 surcharged 10 to 15; one surcharged 15 to 20; six surcharged 20-25 and 11 surcharged more than 25%.

#### Cost Of Handling

Then there is the contention that the cost of handling reporting form business is as great if not greater than that of handling ordinary business, and the practice of granting discounts for as-

sumed savings in expenses is unjustified. The time has arrived, according to Mr. Dineen, to find out whether there are economies in this operation or not. A plan based on unverified assumptions should not be replaced with another based on opposite but equally unverified assumptions. "We need facts," he said.

On the question of discrimination, Mr. Dineen said that the rationale of the Robinson-Patman act, the all-industry bills and the New York rating law is that where varying prices on the same articles are quoted to different buyers because of their size or other considerations, the seller should be able to establish that the variations in price are fair and reasonable.

The effect of all these laws is to lead to better ascertainment of cost factors, to improved figures and to a reduction in guess work. The application of these principles to the I. U. B. problem should lead to its early solution.

#### Rule Of Thumb Process

In the past the average of specific rates has been modified by such things as experience, distribution, expense savings, etc. This has been done largely by rule of thumb reflecting the practical experience of the rate maker. If any department were to insist immediately upon production of statistics to support these refinements the conduct of the business would be markedly handicapped. The business cannot solve this aspect of the problem overnight. It may take time to produce respectable figures.

Mr. Dineen said that he is not suggesting or advocating that companies handling this type of business should necessarily be associated with a rating bureau. The law permits a company to function through a rating bureau or operate independently as it prefers. That is a decision for the individual company.

In speaking of the responsibility of the commissioners he told of the recent actions of three insurance departments in passing upon a national rate filing on this class of business. One state at first rejected the filing but later approved it when the filers submitted modifications of the plan; another accepted it and a third adopted a course somewhat in between. There were thus three conflicting determinations on the same filing.

#### Must Differentiate

He said the commissioners must differentiate between local and national filings. The local filings such as automobile, compensation, fire insurance on dwellings and ordinary commercial properties, are based largely on local experience and compromise more than 90% of the business. They are "mass" filings because they affect thousands and in some states millions of people. Here the commissioner should be influenced materially by local considerations.

In dealing with national filings the commissioners have the added responsibility to weigh and to accommodate local considerations with national ones. The evaluation of national filings by individual commissioners is the Achilles' heel of state regulation, he declared.

"Our citizens shall pay a fancy price," he declared, "if we commissioners, in exercising uncoordinated independence of action on 10% of the rate structure, demonstrate that state regulation will not work, and as a result the right of an individual state to regulate the remaining 90% of the rate structure is lost."

He said that there should not be a double rating standard for national and local rates but that in evaluating national rates the commissioner should not confine himself to a review of the experience in his state but should look at the country-wide aspects of the rate in exactly the same way that the producer, the underwriter and the I. U. B. rate-maker look at it. Such a review by the commissioner is not too complicated because the rate level on I. U. B. risk is largely competitive.

Where competition is carried on within normal limits and as more data becomes available to show that no unfair discrimination exists, the commissioners' supervisory burden will be less than in rate structures which are largely non-competitive.

Mr. Dineen said that a method correlating the decisions of various commissioners on national rate structures should be pursued. A central mechanism is needed to harmonize their decisions. Currently, the recently established central office of N. A. I. C. may possibly provide a mechanical means of exchanging departmental views on the subject.

#### Hard to Get Coverage on Whisky Distilleries

NEW YORK—The insurance coverage of whisky distilleries nationwide is greatly inadequate, Col. William Schiff, president of Schiff, Terhune & Co. brokerage firm, said here at a press conference, adding that despite efforts to obtain coverage in the world's insurance markets the whisky industry is still drastically underinsured.

The value of whisky reserves has increased in the past nine years from \$650 million to almost \$2 billion, with fire companies unable to put up or acquire the reserves to write the business and remain stable. To provide coverage for Schenley Distillers, which he cited as an example, his firm has had to comb literally hundreds of companies with the result that the firm now holds the incredible total of 12,000 policies, believed to be an all time record for insurance contracts held by one insured. Despite this, the Schenley firm needs more insurance and cannot get it, he stated.

E. V. Mashburn, Oklahoma City local agent, has returned from his wedding trip. He was married Aug. 1 to Miss Ora Barber.

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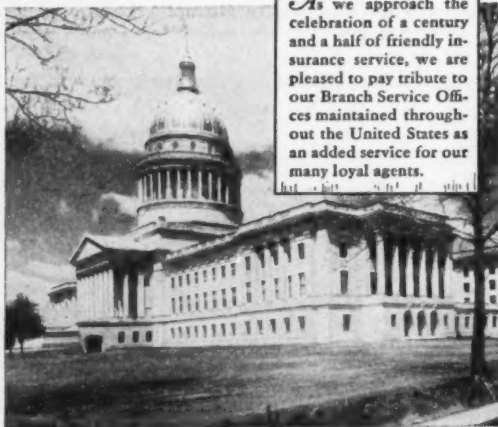
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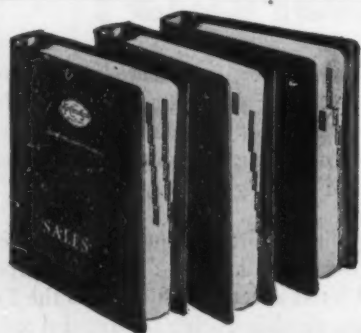
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## Gov. Herbert Is Target of Many Ohio Agents' Fire

COLUMBUS—Opposition to Governor Herbert of Ohio because of his part in licensing General Motors dealers as insurance agents was obvious and predominant at the meeting of Ohio Assn. of Insurance Agents here. H. M. Turner, Springfield, a Republican, resigned as trustee of the Ohio association to head a statewide committee of insurance men to further the candidacy of former Governor Frank Lausche in the November election. It is expected that the majority of the committee members will be Republicans.

Mr. Turner's resignation was to avoid entangling the association in partisan politics. But there was no question as to the personal feeling of many association members. Many of them express resentment at Gov. Herbert's former legal representation of the dealers.

Campaign buttons reading "It's Dewey and Lausche" were passed freely at the meeting. New York insurance legislation passed under Gov. Dewey's administration is strongly approved here.

### AGENT STATES VIEWS

R. R. Schryer, local agent of Lima, O., has made public a letter he has written to Congressman George H. Bender relative to Gov. Herbert and the recent authorization to license auto dealers for insurance. Mr. Bender is also a Cleveland local agent.

He wrote that two or three years ago Herbert, as was his right, became counsel for General Motors to fight a ruling of the superintendent of insurance declining to license automobile dealers for insurance.

Herbert was unsuccessful in securing a change of ruling by the superintendent. He then carried the battle into the common pleas court of Franklin County. There, he and General Motors won.

"In the meantime he was a candidate for governor. When Fred Johnson, chairman of the state executive committee, was asked what would be Mr. Herbert's position in this matter if he should become governor he, I understood, said it would make no difference. I thought at that time Mr. Herbert should have resigned as counsel for General Motors because he would be an interested party if he should become governor, and so expressed myself to other Republican insurance men. Of course, he did not resign as far as I know."

### Cites Legislation

"There are items of history that make it seem that he is still very close to General Motors. When everything seemed to be set in the Ohio legislature to pass legislation setting up a position of insurance commissioner with full cabinet status, increased salary and a term of four years Gov. Herbert said he wanted it to be a political appointment subject to his will. So the legislation was knocked into a cocked hat."

"House Bill 250 was slated for passage. This was to qualify agents by having them take a 50 hour course on insurance, as well as the present examination, or work in an insurance office for a year. When the proper time came Gov. Herbert apparently pulled the rug out from under the support of the bill. Now the insurance superintendent has ruled that no automobile dealer can be refused a license just because he is a dealer. A special examination has been set up for licensing automobile dealers for the writing of automobile material damage alone. They must swear that they will solicit other business than that which they contact in selling automobiles. Yet how can they if they do the job asked of them by General Motors. It sounds like a farce."

"Do you know that the automobile dealers have a law which builds a wall around themselves so that if I as an insurance agent want to sell a few cars or do indiscriminate selling of automobiles they can prosecute me. Certainly this is not fair. Again many dealers sell a car and place the material damage insurance for the individual and tell him he is fully covered. This is not correct because he does not have liability and property damage coverage. This certainly does not do the insurance business any good."

"Why should undertakers, barbers, beauticians, lawyers, doctors, and dentists have to take college courses and pass examinations before they can secure a license—even real estate men have to serve a year as salesmen in a real estate agency before they can become a licensed real estate agent. Is the insurance business such a nonentity that it needs no qualifications to properly protect the billions of dollars of property at risk?"

"I have heard that some of the insurance men (Republicans) are going to actively campaign by word of mouth and letters to secure other insurance men to get out the votes against Tom Herbert. With the popularity of Frank Lausche and the split ticket in Ohio I think we ought not to pass up any bets."

### Musical Jingles for Fire Prevention Week

A series of lively musical jingles advising listeners how to prevent fires and save lives will be available for broadcast during fire prevention week, Oct. 3-9, and throughout the year, National Board announces.

The recorded jingles, in singing commercial form, were produced as a public service by Ted Cott of Station WNEW, New York. They have been cleared for broadcast over any station at any time.

Station managers, fire chiefs, safety councils, and other organizations can obtain the records without charge by writing to J. Wendell Sether, National Board of Fire Underwriters, 85 John street, New York.

### Half of Homes Underinsured

Approximately half of the home owners in America do not carry enough insurance to replace or repair their property if it is damaged or destroyed by fire, a leading fire company official states, according to the New York "Herald Tribune," which featured the story on its Sunday real estate page.

The building industry finds that the house which cost \$5,000 to build in 1939 now costs \$10,450, but countless policies are still being carried on the \$5,000 valuation, the story says. Even if a policy should pay 100% of the replacement cost the homeowner would still lose because the acute housing shortage makes it difficult to find a place to live during replacement of a fire damaged dwelling and, even if located, temporary housing is very expensive.

### Surety Managers Lunch

Surety Managers Assn. of New York will hold its first luncheon meeting of the fall Sept. 27.

### Two-year-old Loss Revealed

NEW YORK—A two-year-old loss of some size has come to light with the arrest of Henry Nessen, 39, who spent the intervening time serving a sentence for passing bad checks in Massachusetts. Nessen deposited checks received by the Janus Distributors, New York, in 1945. According to the district attorney's office he had been there three weeks when he forged a company resolution authorizing him to make deposits and withdrawals at the Irving Trust Co. For a year, Nessen deposited checks received by the company, then made withdrawals of from \$200 to \$1,000.

In 1946 he walked out, and the loss

was discovered. Police learned that he had been picked up in Boston on a bad check charge and sent to prison, where he has been since. Police are trying to locate some of the money which they believe that Nessen cached away. The remainder was spent on high living and on furs and jewelry for his wife. U.S.F.&G. had the bankers blanket bond on Irving Trust Co. Janus Distributors did not carry fidelity coverage. Although the newspaper stories carried

the loss at \$117,000, the loss was settled some time ago for a good deal less than that figure.

### Garrett to Missouri Field

Robert W. Garrett has been named special agent in Missouri for Twin City Fire. For several years he has been in the underwriting department at the home office and most recently has been an examiner for Missouri.

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NATIONWIDE SERVICE

## NEWS OF FIELD MEN

### Make Kan. Prevention Plans

Kansas Fire Prevention Assn. held its fall meeting at Topeka following a meeting of Kansas Fire Underwriters Assn. and the joint Kansas educational and public relations committee. President Harry B. Brown, Northwestern National, Wichita, presided. Reports on Fire Prevention Week plans were given by F. M. Jackson, Aetna Fire, chairman affiliated towns committee; Frank Regier, Corroon & Reynolds, for non-affiliated towns, and Clyde Latchem, state fire marshal.

### New Post for J. W. Boone

Jerome W. Boone, former state agent of Home in Maryland, has been made associate manager of Home's new consolidated office at Baltimore.

### Adds to Virginia Staff

Royal-Liverpool has appointed Frederick McGinn special agent at Richmond, Va. He has been with Royal-Liverpool since 1943 in the brokerage department.

At Arlington, Va., James J. Alfieri has been appointed special agent. He is a

war veteran, and has been in the agency accounts department. Both are graduates of the Royal-Liverpool training course for field men.

### Transfer Tobin to Ky.

Security of New Haven has appointed David T. Tobin, Jr., as special agent in Kentucky. He was employed in the home office from 1939 to 1942. During the following three years, he was with the army air force and rose from private to first lieutenant. He returned to Security in 1945 and served two years in underwriting and special training in the home office. During the last year, he has been a special agent in Michigan.

### L. T. Sims in Field Post

Camden Fire has appointed Lynn T. Sims as special agent for the Philadelphia territory. He has been with Camden since 1946, and has had training in the underwriting department.

### Mosher to Pearl in Iowa

John A. Mosher of Des Moines has been appointed Iowa state agent of Pearl-American. He will supervise Iowa and southern Minnesota. He has been in the insurance business since 1937, having previously been with Corroon & Reynolds at Des Moines. He served two years in the army.

### First N. J. Meeting Sept. 27

New Jersey Fieldmen's Assn. will open its season with a luncheon at Newark Sept. 27. The executive committee will hold a brief meeting before the luncheon.

### Ruff Life General Agent

Arthur W. Ruff has been appointed general agent by Illinois Bankers Life at Riverdale, Ill., a suburb of Chicago, with office at 14310 South Parnell avenue. He is a graduate of the Travelers school of 1938 and since 1936 has been in the local agency business.

In cooperation with Janesville Board and the fire prevention committee of Janesville Chamber of Commerce, Wisconsin Fire Prevention Assn. will inspect Janesville Nov. 10-11.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago  
Sept. 20, 1948

	Div.	Bid	Asked
Aetna Casualty	3.00	76	78
Aetna Fire	1.80*	42	43 1/2
Aetna Life	2.10	49	51
American Alliance	1.00*	20	22
American Auto	1.20	40	Bid
American Casualty	.80	11 1/2	12 1/2
American (N. J.)	.70	15 1/2	16 1/2
American Surety	.50	60	62
Boston (New)	2.40	54	56
Camden Fire	1.00	18 1/2	20
Continental Casualty	2.00*	50 1/2	52
Fire Association	2.50	57 1/2	60
Fireman's Fund (New)	2.60	68	70
Firemen's (N. J.)	.50	14	15
Glens Falls	1.60	43	44 1/2
Globe & Republic	.50	8	9
Great Amer. Fire	1.20*	30	32
Hanover Fire	1.20	28	29 1/2
Hartford Fire	2.50*	109 1/2	111
Home (N. Y.)	1.30	27	28
Ins. Co. of North Am.	3.00	94 1/2	96
Maryland Casualty	1.00	13 1/2	14 1/2
Mass. Bonding	1.60	25	27
Merchants Fire, N. Y.	1.15*	25 1/2	28
National Casualty	1.25*	26	28
National Fire	2.00	43	44
New Amsterdam Cas.	1.20	28	30
New Hampshire	2.00	40 1/2	42
North River	1.00*	22	23
Ohio Casualty	.80	43	Bid
Phoenix Conn.	2.00*	74	76
Preferred Accident	1.40*	3 1/2	4 1/2
Prov. Wash.	1.40*	31 1/2	33
St. Paul F. & M.	2.00	75	77
Security, Conn.	1.40	27 1/2	29
Springfield F. & M.	1.50	40 1/2	42
Standard Accident	1.45	30	32
Travelers	18.00	598	605
U. S. F. & G.	2.00*	46 1/2	48 1/2
U. S. Fire	2.00	49 1/2	51

\*Includes extras.

## COMPANIES

### Home Assets Are Now \$284,378,186

Following the merger of all the affiliated fire insurance companies into Home, the latter company June 30 possessed assets of \$284,378,186. The surplus to policyholders amounted to \$97,819,859. This includes capital of \$19,899,926. The capital increase arising out of the merger was \$4,899,926.

For the first six months of this year the net premiums written were \$58,840,455 as compared with \$57,848,248 last year.

### New Houston Insurer Is Owned by Local Agents

San Jacinto Ins. Co. of Houston, which was organized under the sponsorship of Julian E. Fruit, general agent, starts off with a paid-in capital of \$100,000 and the same amount of net surplus. Mr. Fruit is president; R. N. Cason, vice-president; J. H. Painter, Jr., vice-president and secretary and Hollis Danvers, treasurer.

The company is licensed to write fire, and allied lines.

Mr. Fruit started with Cravens, Dargan & Co. 25 years ago in the marine department and opened his own general agency in 1936. Mr. Painter is an attorney and represents a number of insurance companies. Mr. Danvers is a local agent at Houston and is a past president of Houston Insurance Exchange and a director of Texas Assn. of Insurance Agents.

About 100 of the stockholders are active local agents and the business of the company will be limited to agents that are stockholders.

In addition to the officers, the directors are Dave Bintliff and Bob Killson of Houston and Walter Mayer of Beaumont. They are local agents.

### Grimson Advanced in Crum & Forster Group

Thorin T. Grimson has been elected a director of Crum & Forster to fill the vacancy caused by the death of Vice-president Eugene A. Dunn.

Mr. Grimson began his business career with the organization, and his experience has been developed in field work and underwriting activities in the agency and brokerage departments. His new duties will include supervision of the countrywide brokerage business.

### Springfield F. & M. Figures

The assets of Springfield Fire & Marine at June 30, amounted to \$64,490,378 and surplus to policyholders was \$24,146,765, which was a decline of \$449,545 as compared with Dec. 31. For the first six months the premiums amounted to \$16,846,400 as contrasted with \$15,029,773 during the parallel period last year.

## NEW YORK

### ROYAL HAS BIG GARDEN EXHIBIT

More than 200 vegetable entries and nearly 150 flower entries were displayed in the annual home garden exhibit of Royal-Liverpool group in the Royal building, New York. The exhibit featured some 26 classes each of vegetables and flowers.

H. C. Conick, chief executive of Royal, presented awards to the winners. A. C. Hoffman, of the bonding department, took three first prizes; C. C. Waglow, of the automobile department, won three firsts in flowers and one first, one second and one third in vegetables; and R. W. Schlegel, of the engineering department, captured three firsts in flowers

and one first and one second in vegetables.

Among the visitors was Sir James Dyer Simpson, chief general manager of Royal and the Liverpool & London & Globe, who recently arrived from England.

### N. Y. BOARD LOSSES

Losses assigned to the New York Board's committee on losses and adjustments in August, 1948, numbered 242 for \$677,040, an increase in number of 19.2% and a decrease in amount of 31.6% from August, 1947. For the eight months, the number was 2,491, an increase of 20%, for \$9,383,560, a decrease of 6.8%.

### Montana Agents Plans

A proposed new qualification law for agents will be one of the most important subjects under discussion at the annual meeting of Montana Assn. of Insurance Agents at Placer hotel, Helena, Sept. 27-28.

### Walter Scott Advanced

Home has named Walter Scott assistant manager at Los Angeles. He was formerly manager of the service department there.

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Three fire field men wanted for Indiana, Northern Illinois and Suburban Cook County. Outstanding opportunity for future with expanding company. Prefer men living in territory. Outline experience and salary. Address R-66, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED OHIO FIELD REPRESENTATIVE

by stock fire insurance company. Excellent opportunity for ambitious young man, age 30 to 35. State age, experience and salary required. Address R-57, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



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## Minn. Agents Hold Annual Gathering

(CONTINUED FROM PAGE 4)

as poor. The public is getting the truth of what they are doing to insurance agents and other lines of business, still the battle is by no means won.

"Quit trying to get insurance business by panhandling friends, relatives and lodge or club brothers and sell it to them on its merits," was the advice of H. H. Corson, Nashville, Tenn.

While at the moment the demand for certain kinds of insurance is greater than the supply, John H. Eglof, supervisor agency field force of Travelers, said, "The day is coming when real competitive selling will be needed in the insurance business." Mr. Eglof said there are plenty of opportunities to use selling talents in insurance today in fidelity and accident lines, burglary and the various coverages which the automobile owner needs.

"It is important to give your assureds the satisfaction that they have a permanent insurance connection," Mr. Eglof said. He advised all local agents to carry business life insurance and to train a successor. This comes close to a must for the one man agency and is almost as important for the partnership, he added.

### Need New Prevention Idea

New ideas on fire prevention must be used if the nation's tremendous annual fire loss is to be reduced, Leonard Lund, deputy Minnesota commissioner, declared. He urged teaching fire prevention in the public schools, from kindergarten through high school.

Public relations for the insurance industry through the use of audiovisual facilities as carried on by the Minnesota Underwriters Assn. in cooperation with the Minnesota agents, were explained by Paul Olinger, state agent of Agricultural and secretary of Minnesota Underwriters Assn.

In his annual report, Mr. Fevig told the difficulties the association faced in dealing with the commission problem with part of the members satisfied with reductions and others opposed. In reporting for the conference committee at its recent meeting in Chicago, George Thompson of Minneapolis said that the companies were not willing to discuss this matter for legal reasons with the organized agents, but the door was left open for individual negotiation.

Don Clark of Winona told what the association is doing in the way of providing education courses for agents. In addition to a short course at University of Minnesota next February, he said evening courses are being established at Minneapolis and that business colleges are planning to give insurance courses to their students.

### Attitude in Congress

As long as the insurance industry is adequately regulated by the states there will be no federal regulation of the business, in the opinion of Congressman Edward J. Devitt. Mr. Devitt declared, "Only when it is shown that state regulation is inadequate and that the insurance industry and state officials are not disposed to correct the inadequacies will there be a disposition on the part of congress to legislate. I may add that most states collect much more in insurance taxes than are expended for regulatory purposes. A prudent increase in state appropriations for this purpose would well serve to increase the effectiveness of state regulation and thus lessen the eventuality of federal supervision."

Mr. Devitt expressed "grave doubts that the congress will ever specifically exempt the insurance business from the anti-trust laws, except it does so in the enactment of regulatory laws. If the insurance business were to be specifically exempt from the anti-trust laws, good judgment would dictate that the congress should also provide administrative safeguards against possible abuses and this would spell federal regulation of in-

surance—a result, in my opinion, which is not desirable. I would be one to encourage the enactment of more state laws prohibiting restraints of trade and monopolies in the field of insurance."

At the complimentary luncheon given by the Northwestern F. & M., Commissioner Harris reviewed what Minnesota has done to raise agents qualifications.

He reported that the department is now engaged in consolidating the casualty and automobile tests into one examination. This will reduce the number from seven to six. A little later others will be combined until there will be a maximum of four.

He said that Minnesota is the equal of any state in qualification requirements. Efforts should be directed toward providing places where one may learn about this business, and the Minnesota Association is to be complimented for taking the lead in accomplishing this.

Commissioner Harris defended the recent increase in automobile property damage rates and the granting of a new classification for drivers under 25.

### D. C. Club Surveys Fire Rate Case Problems

WASHINGTON—A. L. Kirkpatrick, manager U. S. Chamber of Commerce insurance department, addressed Insurance Club of Washington on insurance trends, at its first fall monthly luncheon meeting.

Ralph Lee, Jr., chairman legislative committee, submitted a resolution recommended by the trustees, expressing dissatisfaction with the delay in publication of a new rule book by the D. C. Rating Bureau and instructing club officers to obtain a definite answer when it would be available. This was withdrawn after several members expressed opposition to it. V. Manning Hoffman, as a member of the rating bureau executive committee, said bureau work had been delayed as a result of the long-standing D. C. rate case, still pending in court. Moving to table the resolution, he said the club's advisory committee is consulting with the rating bureau and that a draft of the rule book would be ready next month and it was expected to be issued after Jan. 1. It is subject to approval by the club's advisory committee and the insurance department.

A resolution was adopted, declaring that if the outcome of the rating case necessitates revisions, premium adjustments and use of endorsements, such work should be handled by agents with companies' cooperation "in the customary manner," and that additional cost of such work should be paid by the companies.

There was discussion of a possible compromise or settlement of the rate case, as rumored for some time past, but many members still expect rate reductions in any event.

Mr. Hoffman, as chairman of Washington Board of Trade insurance committee, announced its organization as follows: Vice chairman, Henry G. Dudley; advisory counsel, Howard M. Starling, Assn. of Casualty & Surety Companies. Subcommittee chairmen: T. R. Barker, casualty; William A. d'Espar, education; Harry Hazlehurst, Jr., manager D. C. Rating Bureau, fire; Edward J. Schmuck, Acacia Mutual, life; Richard T. Walsh, inland marine; Philip L. Gore, ocean marine; John C. Weed, title.

### Area Leaders Have Voice

WASHINGTON — Present views among national defense department officials, according to interested insurance representatives, is that arrangements for insurance of fibers purchased by the army and textiles made from them in occupied countries, and other details of the program designed to furnish employment and build up industry in former enemy territories, should be delegated to the occupation area commanders. These are chiefly Gen. MacArthur in Japan and Gen. Clay in Germany.

American marine and other interests have been hopeful that much of the coverage on fiber and textile operations under army auspices would be placed in the American market. American International Underwriters has urged that the insurance program be centralized and administered from Washington. There have been suggestions of a blanket policy to cover all operations from army purchase of fibers until finished textiles produced therefrom are transported to foreign countries from occupied territories. Congress set up a revolving fund to finance such operations, including purchasing of insurance and textiles as well as fibers.

### Seek Auto Title Law

MEMPHIS—The Tennessee & Mississippi Sheriffs & Peace Officers Assn. in session here, adopted a resolution calling for the passage of motor vehicle title laws in Tennessee and Mississippi,

similar to those in effect in 32 states and District of Columbia. The resolution placed the blame for "higher insurance rates and tremendous economic losses" on "an alarming increase in the number of motor vehicles stolen in these two states in recent years." Governors of Tennessee and Mississippi have been given copies of the resolution and asked to seek these laws at the next session of the legislatures.

### Seek Few Ind. Law Changes

INDIANAPOLIS—Only minor and technical changes will be suggested to the 1949 legislature by a commission which has made a study of the Indiana insurance law and its amendments. Commissioner Pearson says Indiana has "one of the best and most modern codes" of its type in the country. The Indiana University insurance department did most of the research for the commission.



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## EDITORIAL COMMENT

### New York and the Rest of the Country

Occasionally we see agents who are impressed by the high degree of specialization in the production end of the business in New York City. Whereas the agent in a community of smaller population acts as a general practitioner, doing a little of everything, and capable of it, the New York broker is apt to concentrate pretty much on one kind of insurance and confine his sales activities to one class of prospects.

One reason for this is the difficulty of covering a very wide geographic area in New York City. To the outsider, who has not worked there, the island of Manhattan seems compact and readily accessible. There are the subways, which provide fast and inexpensive underground transportation, and taxis and buses on the surface which always seem to be available. However, what the New Yorker saves horizontally he spends vertically, getting into and out of elevators and riding up and down.

Another factor is the lack of time. Practically all workers live a distance from their employment. This chops a number of minutes off each end of the day, and everyone has to work fast in order to get the job done before it is time to go home. It is never easy to get from point to point, too, because 5,000 other people want to do the same thing at the same time. For example, vast throngs of persons pour out of New York City and its boroughs each

morning headed west to Newark and other New Jersey cities to go to work while other vast throngs who live in New Jersey head east across the Hudson river to go to work in New York City and its boroughs.

It is not astonishing to find a high degree of specialization. Here, for example, is a small brokerage organization that has carved out a satisfactory niche for itself in a few years by concentrating on small and medium size manufacturers and contractors. The firm now has a well earned reputation and serves some customers for a fee—where the commission goes to relatives or others that insured wants to have it. There are enough of such firms to warrant a brokerage organization of this kind which can by concentrating do a superior job for this type of insured. Another concentrates on the key personnel in the motion picture sector of town. A third makes a good living on 42nd street by writing nothing but travel insurance. A fourth concentrates his efforts in the garment district along 34th street and rises and falls with the fortunes of that trade. One broker developed his business by getting acquainted with those who traded diamonds on the curb. Still another does a large business with truckers, and has concentrated on getting the drivers of his insured safety conscious so that the risks will be acceptable to the insurers.

### Cure the Problem, Don't Pass It On

In these days an agent has to do a good many things he didn't do in 1938 in order to earn his commission. One responsibility he may or may not have consciously discharged in the past has become almost a necessity, underwriting. The companies are watching the kind of insured he has in the agency and the balance of business he provides them. Agents who have always dealt with this problem at the agency level even go so far as to cancel business on their own responsibility when they feel that this move is justified.

However, we heard an agent the other day make a comment that impressed us. He said to another agent: "Simply cancelling the business doesn't solve the problem, it merely passes it along to some other agent and some other company. Actually the insured continues to have it unless someone helps him solve it."

If a line goes sour, whether it is workmen's compensation, automobile fleet business, or a private passenger car insured, doesn't the agent who has the line bear some of the responsibility for curing it, he wondered. If he merely gets rid of it, he has only transferred a headache to someone else. His own agency had a large W.C. line that went bad, and the agent decided to drop it. However, he had a last talk with the underwriter. The underwriter was ready to get off. As they talked, the producer had an inspiration and said, "What would cure the problem?" Some safety engineering, was the reply. "Would you be willing to go along with me and the insured if we can work out a program?" That is what occurred. Insured paid more for his protection and did a lot more safety work. The company retained the line. The agent cured and today

everybody is happy.

Where frequency of loss is the problem, a deductible may be the thing that will cure the line and make it acceptable to the insurer. It would be hard to find a poor insurance risk whose operation and property were not duplicated in a number of other situations where the in-

surance is a success; consequently, it is likely that with insured, underwriter and agent cooperating, all of the unsatisfactory lines could be made palatable to insurers. In accomplishing this the agent plays a key role. He is the one who must supply the persuasion and liaison between company and insured.

## PERSONAL SIDE OF THE BUSINESS

**Julius C. Holmes**, just appointed counsellor of the American embassy in London, is a son of the late J. R. Holmes, a well known Lawrence, Kan., agent, and was at one time vice-president of his father's agency.

**K. K. Tse**, Chinese manager of American International Underwriters at Shanghai, has been at Washington seeing the sights under the guidance of A. E. Lampe of the Washington office.

The Wichita Rotary Club has placed the book, "The Lost Treasures of Europe" by Henry LaFarge, in the Wichita public library in memory of the late **Carl E. Bailey**, for many years Crum & Forster state agent at Wichita and Rotary member.

**Walter A. Robinson**, who is believed to be the second oldest career man in state insurance supervisory circles in point of length of service, was feted by his associates in the Ohio department on his 70th birthday anniversary. The girls in the office prepared a celebration with cake and trimmings and that evening Superintendent Lee Shield was host at a card party for Mr. Robinson at his home.

Mr. Robinson is a native of Washington Court House, O., and he graduated at Miami University. He was engaged in the real estate business at Columbus and then in 1910 went with the Ohio department as a clerk in the actuarial division when Judge Lemert was insurance superintendent. He became Ohio actuary in 1917 when S. E. Stillwell left to join Western & Southern Life. In 1944 he became deputy superintendent. He has served under 19 superintendents and for the past 20 years has been chairman of the blanks committee of National Assn. of Insurance Commissioners. His period of service in insurance supervisory work is believed to be exceeded only by that of Chris Gough, deputy commissioner of New Jersey, who has been in that department 52 years. Third oldest is believed to be Hazelton A. Joyce of the Maryland department.

**Dudley F. Giberson** and **Jay Delano**, local agents of Alton, Ill., served as co-chairmen of the citizens advisory committee that promoted a referendum for new school maximum taxing powers and this was approved by the voters last Saturday.

**Walt Faulkner**, 77 year old local agent of Des Moines, won the class D championship in the state skeet tournament. His accomplishment was given special attention in the newspapers because of the fact that he took up skeet shooting just two years ago when his doctor directed him to give up hunting.

He had been a vigorous hunter for many years. Also, he overcame a handicap of extremely poor vision in one eye.

**Dudley Luce**, Michigan state agent of Providence Washington, and one of the best know field men in the state, suffered a heart attack.

**Howard W. Huttenlocher**, Pontiac, Mich., immediate past president of Michigan Assn. of Insurance Agents, has been reelected chairman of the Oakland county Republican committee. He was a Michigan delegate to the national convention in June.

**Joseph E. Huff** is chairman of Cincinnati Fire Underwriters Assn. team for the Community Chest Drive. The territory has been divided into 10 zones with a captain and 10 solicitors for each.

## DEATHS

**Chas. H. Keating**, 78, chairman of Lumbermen's Mutual of Mansfield, O., died after an illness of two weeks.

He was president and general manager of Lumbermen from 1933 to 1947, when he was elected chairman.

He was born at Mansfield in the same house in which his mother had been born.

Mr. Keating was a graduate of Amherst College. In 1913 he was appointed general counsel for Lumbermen's Mutual and in 1933 president and general manager.

He had served as president and director of Improved Risk Mutuals of New York, Federation of Mutual Fire Insurance Companies, Associated Lumber Mutuals, and American Mutual Reinsurance. At the time of his death he was a member of the advisory board of Lumbermen's Mutual Casualty.

**Don McGraw**, well known insurance man, died at Portland, Ore., after a long illness. He started as secretary to U. S. Epperson, founder of the organization now known as U. S. Epperson Underwriting Co., at Kansas City. Subsequently he went with Rankin-Benedict, which, like the Epperson office, functioned as attorney-in-fact for reciprocal insurers specializing in lumber risks. In 1919 he went to Portland as manager for Rankin-Benedict, continuing until his retirement from the insurance business in 1934. He then entered the lum-



Chas. H. Keating

## THE NATIONAL UNDERWRITER

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ber business and was for many years  
secretary of Row River Lumber Co.

**Thomas B. Love**, 78, first insurance  
commissioner of Texas, 1907, died at his  
Dallas home. He organized the depart-  
ment. He served as assistant secretary  
of the Treasury under Woodrow Wilson  
and during the first world war super-  
vised the bureau of war risk insurance,  
the bureau of internal revenue and had  
charge of enemy and neutral insurance  
properties. At the time of his death he  
was working on an insurance history of  
Texas.

**Charles D. McEwen**, 79, veteran in-  
surance man of Richmond, Va., died  
there. He was for 15 years with Tabb,  
Brockenbrough & Ragland agency.  
Previously, he was with Home Benefi-  
cial Life.

**George Wright**, 75, retired Wisconsin  
state agent of North British & Mercan-  
tile, died at his home in Milwaukee after  
an illness of two months. He went to  
Milwaukee from Monroe, Wis., his  
birthplace, 41 years ago. He retired five  
years ago and was an honorary member  
of Wisconsin Fire Underwriters Assn.  
and a member of the Blue Goose. Mr.  
Wright suffered head injuries and both  
his legs were broken July 9 when he  
was struck by a truck.

**Thane W. Neal**, 59, Owosso, Mich.,  
local agent, died of a heart attack.  
After some mercantile experience, he  
opened an agency in 1919 in partnership  
with Charles Greenwald, later buying  
out his partner.

**William E. Armstrong**, 71, who re-  
tired early this year from his position  
in the cashier's department at Home,  
died at Rockville Centre, L. I. At one  
time he was president of Home's quar-  
ter-century club.

**Francis H. Thompson**, 54, of Pierce  
& Sibert, prominent Los Angeles agency,  
died of a heart attack at his home at  
Beaumont, Cal.

**Rudolph W. Riggs**, 54, Los Angeles  
broker, died suddenly at his home. He  
had been in the insurance business 24  
years, going to Los Angeles from  
Quincy, Ill.

**Louis R. Saur**, 60, prominent local  
agent at San Antonio, died last week  
end at Presbyterian hospital, Chicago,  
of a heart attack. Mr. Saur was going  
through the city on the way to his  
summer home in Wisconsin. His  
agency was started by his father,  
George C. Saur, who died only a short  
time ago.

**Leon D. Welch**, 53, general insurance  
agent of Watertown, N. Y., and one of  
the city's best known residents, dropped  
dead.

## N. D. Project Bids Opened

Morrison-Knudsen and Peter Kiewitz  
Sons Co. were low bidders with a price  
of \$13,622,000 when the U. S. bureau of  
reclamation opened bids for stage 2 of  
the Garrison Project in North Dakota.  
Fidelity & Deposit and Aetna Casualty  
are on the bid bonds.

The California highway department  
has awarded the contract to the Griffith  
Co., Los Angeles, at its low bid of \$1-  
370,538, for the construction of a por-  
tion of the Santa Ana Freeway from  
Los Angeles to Santa Ana. National  
Surety, through its Los Angeles office,  
will execute the payment and perform-  
ance bonds.

## Wash. State Rates Upped

A revision of automobile liability rates  
has now become effective for the state of  
Washington.

Private passenger car rates are in-  
creased on the average 1% for B.I. and  
16.6% for property damage. For com-  
mercial automobiles the B.I. rates are  
increased on the average 1.4% and the  
P.D. rates are increased on the average  
10.8%. The new A-3 classification is in-  
troduced.

**General Adjustment** has named  
Franklyn A. Costello adjuster-in-charge  
at Redding, Cal., to replace Raymond  
G. Weldon. Mr. Costello had several

years adjusting experience before join-  
ing G.A.B. at San Francisco in 1946.

## Ark. Contract Canceled

Arkansas Medical Society and Arkan-  
sas Hospital Assn. have withdrawn  
their "seal of endorsement" from the  
group hospitalization program that was  
underwritten by John Marshall of Chi-  
cago under a contract to handle the  
"Arkansas Health Plan." The joint  
committee of the two health groups is  
now searching for another insurer. The  
program was canceled, according to the  
joint committee, because Bankers Life  
& Casualty, which has reinsured John  
Marshall, insisted on certain restrictions  
that it felt were unnecessary.

## Many in Unlicensed Insurers

**ST. PAUL** — Commissioner Harris  
reports that following a news release  
to newspapers of the state warning  
against unlicensed insurance companies  
doing business in the state by mail and  
radio, his office was swamped with let-  
ters and telephone calls from assured,  
asking if their policies were good.

"Nearly everyone of them had pur-  
chased insurance in some unauthorized  
carrier," Commissioner Harris said.  
"Recognizing that there are probably 20  
who do not complain to every one who  
does, it would indicate there is a tre-  
mendous amount of this insurance being  
purchased by our citizens. We hope the  
blast has accomplished some good."

**Merrimack Mutual Fire** has appointed  
Hubert C. Covington special agent for  
North Carolina, South Carolina and  
Georgia with headquarters at Atlanta.  
He was with the Merriam local agency  
of Panama City, Fla.

## Convention Dates

Sept. 22-23, New Hampshire Agents,  
annual, Wentworth Hotel, New Castle.

Sept. 23-24, New Jersey Agents, an-  
nual, Berkeley-Cartaret hotel, Asbury

Sept. 23-24, Oregon Agents, annual,  
Gearhart.

Sept. 26-28, C.P.C.U., annual Hotel La  
Salle, Chicago.

Sept. 27-28, Montana Agents, annual,  
Helena.

Sept. 28-30, Iowa Agents, annual, Des  
Moines.

Sept. 28-30, Western Underwriters  
Assn. midyear, Greenbrier Hotel, White  
Sulphur Springs, W. Va.

Sept. 30-Oct. 1, Insurance Advertising  
Conference, annual, Hotel Stevens, Chi-  
cago.

Oct. 4-7, National Assn. of Insurance  
Agents, annual, Stevens Hotel, Chicago.

Oct. 11-13, Bureau of A. & H. Under-  
writers, annual, Cavalier Hotel, Virginia  
Beach.

Oct. 11-14, Federation of Mutual Fire  
Insurance Companies and National Assn.  
of Mutual Insurance Companies, joint  
annual meetings, Hotel Lowry, St. Paul.

Oct. 15-16, Arizona Agents, annual,  
Hotel Westward Ho, Phoenix.

Oct. 18-20, National Assn. of Mutual  
Agents, annual, Shoreham Hotel, Wash-  
ington, D. C.

Oct. 20-22, Kansas Agents, annual,  
Wichita.

Oct. 25-27, California Agents, annual,  
Fairmont Hotel, San Francisco.

Oct. 25-30, Hemispheric Insurance Con-  
ference, Mexico City.

Oct. 26-27, Massachusetts Agents, an-  
nual, Copley Plaza Hotel, Boston.

Oct. 28-29, Tennessee Agents, annual,  
Noel Hotel, Nashville.

Nov. 3-4, Connecticut Agents, Annual,  
Hotel Stratfield, Bridgeport.

Nov. 4-5, Nebraska Agents, annual,  
Lincoln.

Nov. 11-13, National Casualty & Surety  
Agents Assn. and International Assn. of  
Casualty & Surety Underwriters, joint  
annual meetings, Greenbrier, White Sulphur  
Springs, W. Va.

Nov. 18-19, Maryland Agents, annual,  
Lord Baltimore Hotel, Baltimore.

Nov. 22-24, Wisconsin Agents, annual,  
Hotel Schroeder, Milwaukee.

Oct. 20-22, Insurance Accountants  
Assn., annual, Benjamin Franklin Hotel,  
Philadelphia.

Nov. 22-24, Indiana Agents, annual,  
Claypool Hotel, Indianapolis.

## Hsiang Seeks Cal. License

Central Trust Co. of China, of which  
S. W. Hsiang is U. S. manager, has  
applied for admission to California. It  
already is admitted as an insurer in  
New York. It has on deposit as trustee  
funds \$500,000 with the New York de-  
partment and a like amount with Irving  
Trust Co. of New York.

## Cal. Hearing on Valuations

**LOS ANGELES**—Commissioner  
Downey sent out copies of a proposed  
ruling governing valuation of properties  
and securities in 1948 annual statements,  
and will hold a hearing at San Fran-  
cisco Oct. 15.

## New Company at Montreal

Progressive of Canada has been or-  
ganized with head office at Montreal.  
President and managing director is  
A. Samoisette. J. P. A. Smyth is first  
vice-president; G. E. Wemp, second  
vice-president. The company is capital-  
ized at \$1 million, with \$250,000 sub-  
scribed and paid up. Surplus is \$147,000.  
It will write fire and casualty lines.

## N.A.I.A. Promotion Manual

"Agency Promotion," a 20-page illus-  
trated manual listing the promotional  
aids available to its members has just  
been published by National Assn. of  
Insurance Agents. The booklet shows  
many of the membership-identifying de-  
vices in full photograph, and lists pub-  
lications and materials available from  
cooperating organizations on fire and  
accident prevention.

## Wood Roanoke President

**ROANOKE, VA.** — Reginald M.  
Wood has been elected president of Ro-  
anoke Assn. of Insurance Agents, Sep-  
tember 14, succeeding Richard H. Mul-  
likin. Julian H. Rutherford, Jr., is vice-  
president and Frank W. Martin, secre-  
tary.

J. Earl Dunford, manager of the Vir-  
ginia association, attended.

## Start Los Angeles Courses

**LOS ANGELES**—Los Angeles In-  
surance Assn. has opened its educa-  
tional course with 50 students registered,  
which is capacity, for both the elemen-  
tary course on fundamentals and the  
A. & H. course.

## Rupp Is the Bullfrog

James S. Rupp, American, is the new  
bullfrog of Decatur puddle of Illinois  
Blue Goose. He took office to succeed  
K. A. Longley, Security of New Haven,  
who has moved to another state. New  
tadpole is Arthur R. Goodall, Phoenix  
of Hartford, and W. J. Rothfuss, inde-  
pendent adjuster, is croaker.

## NEWS BRIEFS

**Henry J. Howlett**, secretary of Amer-  
ican Management Assn. for the past 13  
years, has resigned to become president  
of Container Laboratories, Inc. Mr.  
Howlett is well known to those that  
have attended the various A.M.A. insur-  
ance meetings, as he has been in charge  
of arrangements.

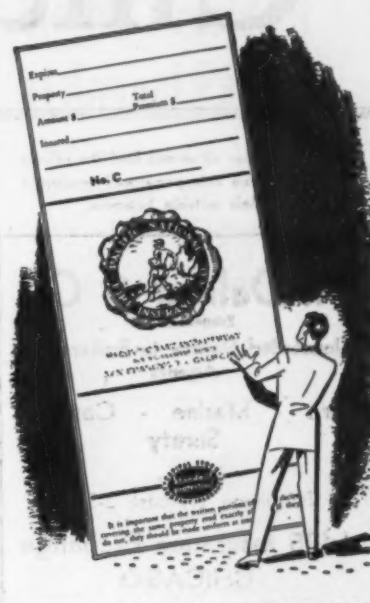
**Jerry Citta**, automatic sprinkler engi-  
neer for Illinois Inspection Bureau, ad-  
dressed a dinner meeting of the Blue  
Goose chapter at Springfield, Ill., with  
Helmer Johnson, Great American, pre-  
siding.

**A. B. Paulsen**, America Fore state  
agent at Jackson, Mich., presented a 25-  
year medal to **Clarence F. Graebner** of  
the Schwahn-Van Aulen-Graebner agen-  
cy of Saginaw. Mr. Graebner has rep-  
resented Continental 25 years. He is a  
member of the Michigan legislature.

**Ralph Lightner**, Wichita agent, is  
chairman of the Y.M.C.A. board, which  
is now conducting its annual "round-up."

**The Insurance Women of Milwaukee**  
will hear William H. Froehlich of Old  
Line Life at their opening dinner meet-  
ing of the season on Oct. 4. Florence  
Fox, president, and Christine Sachs, na-  
tional regional director, will report on  
the national convention.

**What's behind  
this policy?**



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stability, of course... but,  
just as important, *people*...  
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and women are trained to  
concentrate on one objec-  
tive: *service*... quick,  
friendly, *interested serv-*  
ice to Agents and their  
Assureds.

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# Illinois Agents Gather at Rockford

## Hodson Gives Practical Tips on Selling Liability

**Bring Hazards Home With Specific Examples, He Counsels**

ROCKFORD, ILL.—Robert D. Hodson, superintendent of casualty sales of Zurich, gave practical suggestions for merchandising liability insurance, in addressing the annual meeting of Illinois Assn. of Insurance Agents here. He suggested that in approaching a prospect the agent ask "What's your defense?" and follow with a specific hypothetical accident. For instance a grocer that maintains a parking lot might be approached with the question: "What's your defense if one of your customers sues for bodily injuries sustained while using that new parking lot of yours across the street from your store?"



Robert D. Hodson

The prospect's response to this question will give the agent an opportunity to explain fully the advantages and broader scope of protection available to him under the new storekeeper's liability policy.

On the renewal date of residence liability policies Mr. Hodson suggested that the agent say: "What's your defense if you are sued for any one of the many liability exposures not covered by the residence liability policy?" The question paves the way for sale of a comprehensive contract.

The speaker advised recommending business pursuits coverage for use with the comprehensive personal liability policy.

Mr. Hodson urged the agents to ferret out the hidden or not too obvious liability exposures. This requires patience, diplomacy, perseverance and ingenuity. It requires knowledge of the business and getting the complete story of the risk on the forms provided by the companies. The agents should give particular attention to the questions in the survey of exposures questionnaire that deal with special or miscellaneous exposures.

For instance he mentioned a manufacturing risk that in answer to the question of whether they had a hospital, doctor, masseur, etc., answered that they had three masseurs. This was an unexpected feature of a manufacturing risk.

### Machines Are Borrowed

Then there was a manufacturer that disclosed that eight or ten times a year he lent machines to certain customers for research purposes to determine their value before going into the actual production and sale of the machine. This would not have been covered under the products liability and required special treatment.

There was a manufacturer that was left exposed to a \$25,000 loss suit which was not covered because only coverage on specific contractual agreements under purchase orders was provided instead of blanket purchase order liability.

There was a prospect that said he

(CONTINUED ON PAGE 24)

## Strong Impetus Given to Highway Safety Work

Before a shirtsleeve audience of Illinois Assn. of Insurance Agents Monday afternoon, five speakers took up traffic safety in Illinois and when they had finished had some tangible results of their efforts at hand in the form of more than 100 signed cards requesting more information on how local agents can work on the problem in their own communities.

The session was in the form of a panel discussion. Moderator was J. S. Richardson, vice-president at Chicago of Standard Accident and chairman of the Illinois accident prevention committee of Assn. of Casualty & Surety companies.



J. S. Richardson



Roy L. Davis

The speakers were Sgt. Harry Berlin of the public safety division of Illinois state police; Roy L. Davis, manager of Assn. of Casualty & Surety Companies at Chicago; Donald K. Weiser, Chicago manager Aetna Casualty, and W. P. Brown, Peoria local agent. Each speaker covered his subject briefly and concisely. Together they presented the problem and told how the agents themselves are in the best position to solve it.

Leadoff man was Sgt. Berlin, who stated that Illinois lags in traffic safety. The state has shown an increase in traffic deaths in the past two years while the country as a whole has been having a better record. The Illinois traffic death rate is higher than nearly any state of comparable population. He emphasized that there is a great deal of activity on safety at the national level and nearly as much by the states, but the program bogs down in the communities.

### Supplying Working Force

Local agents can furnish the working force to make a local program work, the sergeant emphasized. He suggested that agents make a check list of what has been done in their towns against the recommendations of the governor's safety conference of December, 1946. Whatever needs doing, the agent can do or get started, he said. Organized public support at community levels is the biggest aim of safety forces and the agent can set that support in motion.

Mr. Davis carried along Sgt. Berlin's arguments. He urged the use of the booklet "Safety Is Good Business" put out by Assn. of Casualty & Surety Companies with National Assn. of Insurance Agents. Mr. Davis emphasized that all kinds of help is available above the local level, but that the agents must organize and direct campaigns in their communities. Then they can put in a call for outside assistance.

He mentioned that waiting can be disastrous, calling attention to Utica, N. Y., where the traffic accident situation got so out of hand that the companies threatened to pull out completely. Then the local board went into action and promoted a safety program that

permitted the companies to continue writing business in the city.

The insurance industry has its greatest opportunity in history in the promotion of traffic safety, Mr. Weiser said in his talk. No other group can muster the manpower to accomplish the job.

He told the agents that in any plans they develop they should keep their community in the foreground, utilizing local talent, getting local support. Mr. Weiser listed five steps for a safety campaign: Promote driver education (get it started in the schools, get help from the companies); start a bicycle safety program (put through a registration ordinance); get strict driver licensing rules; promote motor vehicle inspections; start a campaign of pedestrian safety and traffic engineering.

How a local program can and has succeeded was told in the talks of Mr. Brown who is a past president of the Peoria board. The Peoria program has already reduced traffic deaths in the city from 22 last year to five so far in 1948.

In cooperation with the agents Peoria Assn. of Commerce in 1947 established a safety council.

Some of its activities were a safety program for trucking fleets in the city and driver meetings. School safety patrols were put on a realistic program of training under supervision of the city traffic department. The motor vehicle inspection lane of the state police was brought to Peoria and nearly 2,000 cars went through. Safety literature was distributed and films were shown. Juries for traffic death inquests were hand picked each time to get new members who had never had the experience of weighing the evidence behind traffic accidents, thus creating safety minded persons willing to assist with the local program.

### Calls on Committee

Then the board called on the Illinois accident prevention committee and through it had an engineer from Assn. of Casualty and Surety companies make a study of the Peoria traffic situation. That survey was given to the city council and the agents have maintained close contact with the traffic commission and find that the survey is being used as a guide.

The Peoria Board helped conduct a city traffic safety conference in April. This meeting laid blueprints for a long range safety program. More than 150 attended, and one of the most important results is a change in attitude of the court officials. Fines are higher.

The agents help out each month in a program to get more groups interested in safety. A different civic organization is given the job every month of promoting a safety theme.

## Rockford Notes

The Aetna Casualty contingent at the Illinois agents convention was headed by Donald K. Weiser, manager at Chicago, and a speaker on the program; J. L. Johnson, assistant manager; A. J. Higgins, superintendent of agents, and Robert H. Bean, J. K. Wallman and Roy Brown, field representatives.

The Zurich headquarters contained an exhibit of the company's industrial safety and health program and a display on job placement of the physically handicapped. These were capped by two plaques the company has won for its films on traffic safety and general safety. Harry H. Fuller, deputy U. S. manager; E. J. Savage, superintendent of agencies; Clark Bridges, director of the conservation department; Roy Stuedeman of the conservation department and Robert D. Hodson, superintendent of the casualty sales division, comprised the company staff.

## Lyman Drake Jr. Elected President at Annual Rally

**Attendance Is Less Than 300 for Excellent Program**

By JOHN C. BURRIDGE

ROCKFORD—Featuring two provocative panel discussions and a well balanced program of speakers, Illinois Assn. of Insurance Agents held its annual meeting here this week. Attendance was disappointing, the registration being less than 300 and a good portion of the crowd was from the company ranks.

The fact that the National association is holding for the first time at Chicago only two weeks hence probably contributed to the poor showing, and intermittent rain throughout the two days kept many of the agents home. Lyman M. Drake, Jr., of the Critchell-Miller class 1 agency of Chicago, was elevated from executive vice-president to president to succeed Russell L. Sprouse of Springfield, who becomes chairman of the board. Frank H. Hawk, Peoria, stepped into line as executive vice-president. W. W. Hamilton, who was named manager last year, was



Lyman M. Drake, Jr.



Merle A. Read



H. L. Sprouse

elected to that position this time after a constitutional change was made creating his office officially. Lillian L. Herring was reelected as secretary, and the new treasurer is Eugene F. Engelhard, Engelhard & Co., Chicago. Merle A. Read, Joliet, became state director. The new officers were installed by Maurice Herndon, assistant Washington representative of the National association, in an impressive ceremony at the final session.

The panel discussions covered accident prevention and company agent relations. Both were stimulating and received highly favorable audience response. The other speakers covered agency advertising, selling, and association progress.

Three new regional vice-presidents were elected: Harold H. Cooley, region two; C. A. Bryant, region five, and J. F. Prola, region six.

Luncheon Monday was provided by American. It was a smorgasbord affair and a good crowd turned out for the

(CONTINUED ON PAGE 24)

## Hodson Gives Tips on Liability Sales

(CONTINUED FROM PAGE 23)

did not need railroad sidetrack liability because he "borrowed" the sidetrack facilities of a neighbor. It was developed that he had actually been named in the railroad sidetrack agreement of his neighbor and that he and the neighbor both had to post bonds with the city because the sidetrack spur crossed a city street. This required a lot of "tailoring" to straighten out the railroad liability coverage and the obligations because of the bond.

### No Christmas Tree Trimming

The railroad sidetrack liability is not a Christmas tree trimming, he emphasized. He referred to an \$80,000 joint judgment allowed recently against a railroad manufacturer arising out of a sidetrack agreement. This illustrates the need for high limits.

He told of a manufacturing company that decided not to buy purchase order liability insurance because it had a purchase order acknowledgment form that repudiated any hold-harmless or other contractual liability clauses that may be in the purchase order forms. The agent praised this practice but suggested that was only another legal aid in defense of the manufacturer and not a positive cure. The attorney agreed with this and the necessary insurance was purchased and the forms were destroyed.

Mr. Hodson emphasized the value of completed operations coverage. He told of an uninsured loss that occurred in connection with the installation of a large galvanized pipe in a plant. A building contractor erected the scaffolding and a pipe fitting contractor was hired to put the pipe in place. The scaffolding collapsed and an employee of the pipe

fitting contractor was killed. The building contractor was held liable and he was not insured.

## Drake Is President of Illinois Agents

(CONTINUED FROM PAGE 23)

variety of foods. During the meal music was provided by a string ensemble.

The William H. Jennings, Jr., membership cup award, presented to the region with the largest percentage membership gain for the year, went to region one, Chicago. L. W. Zonsius, regional vice-president received the cup from Mr. Drake.

W. W. Hamilton asked his audience to take a sincere appraisal of the past year, to answer whether the opportunities to serve the association had been taken. An agent has given nothing to or



Lillian L. Herring



gotten nothing from the association if he has put off his efforts from day to day. Today is the most crucial time for effort, he said.

Mr. Hamilton outlined five aspects of association membership, beginning with attitude. An agent must appreciate his membership, use what it gives and not

just tolerate it, he emphasized. His attitude should be receptive and at the same time willing to give.

The association offers tools for the agent to improve himself and his business, Mr. Hamilton said. Intelligent service is called for today, and association membership can help provide that.

The agent must have the conviction that the association is good, and he should exert himself to keep it so, Mr. Hamilton declared. Members owe their allegiance to agency minded companies, and they should follow that line.

The agency ranks have produced most of the effective leadership in the industry in the past five years, he said. The companies have used their fears of federal laws as an excuse for inaction instead of a reason for taking the initiative. Agents should not sit back and let others take the reins if they are not satisfied with the trend of leadership. It is their responsibility to accept leadership themselves.

### Commission Issue to Fore

That the commission question is still a hot one in Illinois was brought out strongly at the first business session in the remarks of W. W. Hamilton, manager of the association.

He mentioned that the companies are making an intensive survey of their costs of doing business at the same time. It is the professed belief of the president of Insurance Executives Assn., he said, that commissions should be uniform throughout the country and that the figure should be 20%. When the cost survey is done, there will be an attempt to achieve uniform nationwide commissions, Mr. Hamilton predicted. He said there will eventually be commission control by the states in some form. When the problem becomes hot again the agents should be better prepared to support their side.

Mr. Hamilton urged the agents to fill out the questionnaires on agency income and expenses for use by the N.A.I.A.

### NEW OFFICERS ELECTED

Chairman — Russel L. Sprouse, Springfield.  
President — Lyman M. Drake, Jr., Chicago.  
Executive vice-president — Frank H. Hawk, Peoria.  
Manager — W. W. Hamilton, Chicago.  
Secretary — Mrs. Lillian L. Herring, Chicago.  
Treasurer — Eugene F. Engelhard, Chicago.  
State National Director — Merle A. Read, Joliet.

actuary in preparing his data. There must be a mass of data, he said, because some commissioners are hard to convince. They want a multitude of statistical information.

### Sprouse Gives Report

Russel L. Sprouse of Springfield, in his presidential report said the most important problem during the year has been commissions. The action of the companies and the method used has raised the question in the agents' minds as to the future of their business. If the agents and companies can sit down together and talk over the problems that come up solutions agreeable to both parties can be had.

Membership of the Illinois association on Sept. 1 was officially 714, a gain of 59 for the year, Mr. Sprouse announced.

The association and University of Illinois have a short course at the university. During the war years this was interrupted. Mr. Sprouse reported that with the assistance of Robert Mehr, professor of insurance at the university, a four week educational school for agents

was arranged. The course has been broken up, having one week in approximately each quarter of the year so that it will not be a hardship on anyone to attend all sessions. Enrollment has reached between 25 and 30 students each session.

Mr. Sprouse remarked that the show on fire prevention at the Illinois state fair is a most practical piece of public relations. An estimated 200,000 went through the exhibit which is proof that the people are interested and that it is a splendid avenue for public relations work. The show was sponsored in part by the Illinois association.

Harold E. Taylor, public relations department of American, led off the afternoon session with a talk on agency advertising. He used a series of charts to supplement his remarks.

Mr. Taylor said that advertising can be a pig in a poke (turning up an appropriate picture) if there is no plan. The agent should start with a budget. Then he should pick out one kind of business and concentrate his advertising on that. The type of business being solicited will help determine what type of medium to use.

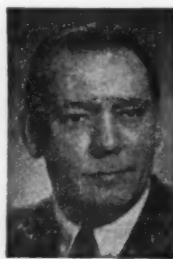
He described the uses and advantages of radio, newspaper and direct mail advertising, stating that direct mail is the most effective form for the small agent.

### Window Displays

Window displays can lead to big premiums, he said. He told of an agent who put his wife's fur coat in his window with a sign saying "This coat cost only \$5." Every lady that passed rushed over. In small type the sign said "be-



H. E. Taylor



W. W. Hamilton

N. C. McLEAN

J. F. GALVIN

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E. A. McCord, President  
C. C. Inman, Vice-President



cause it was stolen and replaced by one of our fur policies." The agent sold 30 policies in a few days as a result of the display.

Mr. Taylor described success in advertising as discovering what kind of ads are best for a certain agent and keeping on everlastingly using them.

A panel on traffic safety followed Mr. Taylor. Participants were J. S. Richardson, vice-president of Standard Accident at Chicago; Roy L. Davis, Chicago manager of Assn. of Casualty & Surety Companies; Harry Berlin, Illinois state police; Donald K. Weiser, Chicago manager of Aetna Casualty, and W. P. Brown of the Brown agency, Peoria. The group presented an outline of the agents' problem in traffic safety and how it can best be met.

#### Drake Urges Promotion

The report of N. McCullough Winters, Quincy, national state director, was read by President Sprouse at the opening business session. Mr. Winters was unable to attend the meeting of the directors in April and Mr. Sprouse filled in for him then.

Lyman Drake, Chicago, executive vice-president, in his remarks said that local boards are the best means of promoting membership. Illinois can support many more than the 26 boards it now has, he declared. The potential membership in the state is 5,000, ranking 10 in the National association. The state is third in premium income.

Several revisions to the constitution were adopted. Emil Lederer, Chicago, chairman of the legislative committee, explained them in his report. The changes covered the dues schedule, officers (to include an executive manager); by-laws; definition of the executive manager's duties, procedure on finances and elimination of primary and secondary accounts.

Mr. Lederer read the report of Allan Wolff, Chicago, chairman of the new rating committee. Mr. Wolff was not at the meeting and a telegram of regrets from him was read later.

The rating report urged that agents watch the filings with the department and asked consideration of an amendment to the rating law providing that the association receive copies of filings as or before they go to the department.

#### Legislative Work Needed

Mr. Lederer added that at the last legislative session the legislators clamored for information from industry people at hand. This information should already have been given by local agents in their home towns, he said. The association can make itself more powerful if agents keep in closer touch with their legislators.

The banquet was, of course, a high spot of the convention. About 400 turned out for this. There was no speech making, the only business being the introduction of guests. During the dinner an orchestra played and several of the tunes were enthusiastically rendered by the audience. Entertainment was adequately taken care of with a floor show featuring, among other things, several pretty dancers.

Director Parkinson of Illinois was the principal guest of the evening. He took an early hand in the proceedings when President Sprouse had difficulty in getting order. After several attempts, Mr. Parkinson took the mike himself and started the evening under way.

#### Mixup on film

The Tuesday morning meeting was to have opened with the showing of the N. A. I. A. film, "Your Best Policy," but instead there appeared on the screen the bank and agent auto plan picture. Despite this error in booking, the session went smoothly, and Maurice Herndon, assistant Washington representative, who was to have based his talk on the scheduled movie, gave an excellent review of National association activities.

Robert D. Hodson, superintendent of the casualty sales division of Zurich, led off the speaking program. His subject was "What's Your Defense?" Mr. Hodson used case histories to point up

his arguments for careful but forceful selling of liability coverages.

A warning that agents be prepared for a break in the present high level of prosperity was voiced by Mr. Herndon. He suggested that agents be careful of extension of credit, that they set up reserves, and educate themselves better in their business so that they will be well armed for the lean days. The business is in a period of transition, he declared, and must put its house in order.

Mr. Herndon also emphasized that the agency system must make greater efforts to hold its position. He said there is a creeping paralysis being brought about by cooperatives and farm bureaus. Direct sellers are doing an increasing volume. Somewhere along the line the public has not been told the story of stock insurance and the agents must carry their share of the load in that.

#### Phoenix "Ads" Applauded

The Phoenix-London group has received numerous compliments on its insurance journal advertising this year which is featuring the fidelity and surety business. A recent letter from Martin W. Lewis, general manager of Surety Assn. of America, has been particularly pleasing. In his letter Mr. Lewis said: "I should like to congratulate the Phoenix-London group for its timely advertising of the fidelity and surety industry in the various trade papers. I think the ad crediting Theodore Roosevelt with the formation of the Surety Assn. of America is particularly excellent. It is such advertising of an industry that is bound to be helpful to all concerned."

This Phoenix-London campaign has been handled through Parker-Allston Associates, Inc.

Stanley L. Van Atta, purchasing agent for the Owens-Illinois Glass Co. at Berlin, N. J., has resigned to become a member of the Van Atta agency at New Lexington, O., operated by his father and brother.

### Illinois Highlights

Francis Keye of Rockford officially opened the program when he led in the singing of "America." Mr. Keye appeared twice again to perform, at the luncheon when he was part of an excellent quartet, and again at the banquet when he rendered two solos.

The registration desk was in charge of Jack Ward, Ward Mortgage & Realty, Rockford, and Miss Betty Crowder of the Alvin Keys agency, Springfield. Miss Crowder has lent a hand on registration for several years.

Americann, which was entertaining in its western department headquarters city, had a large delegation. Among them were John P. Young, Jr., vice-president; John McFarland and W. G. Soderstrom, assistant managers; Irv Cox and Kenneth Nelson, field supervisors; Harold Williams, state agent, and special agents James H. Rupp, Leo Davis, Henry Trenholm, Kenneth Erickson. Fred Sabin, manager of the Rockford service office, also was on hand.

Ocean Accident was represented by Robert F. Munsell, assistant manager; Tom Forster, assistant manager, and Fred Neuner, special agent.

S. R. Howard, Chicago manager, led the staff of North British. Mr. Howard's assistants were F. B. Ingledew, assistant secretary; state agents E. F. Conour, John Flood, E. H. Miller; Paul Capps, marine manager; E. H. Hazen, automobile supervisor, and Ray Knaack, brokerage service.

The three principals of the Funkhouser-Moore general agency of Springfield attended, they being W. T. Funkhouser, president; Guy D. Moore, vice-president and John L. Hon, secretary.

Among the guests at the head table at the banquet, outside of the speakers and officers were Director Parkinson of Illinois; J. P. Young Jr., vice-president of American; Robert Mehr, insurance professor at University of Illinois; Walter Sheldon of W. A. Alexander & Co., Chicago, representing the national association; and E. F. Conour, state agent of North British, president of Illinois Fire Underwriters Assn.

Fidelity & Deposit again distributed newspapers at registrants' doors in the morning.

In charge for North America were V. L. Montgomery, Chicago manager; R. A. Mitchell, marine manager, and A. G. Keats, special agent.

## Field Men and Agents Tell What They Expect of Each Other

An innovation at the Illinois meeting was a panel between field men and agents on "How to Help Each Other." George V. Whitford, assistant manager of Fire Association, Chicago, acted as moderator, and participants from the company side were W. M. Miran, Atlas; Grant C. Bissell, Aetna Fire, and Lloyd Eppler, Loyalty group. The agents were represented by Cecil I. Thomas, R. W. Troxell & Co., Springfield; Robert Eastergard, Breeze & Co., Champaign, and Corlett Wilson, Wilson & Wilson, Rockford.

The discussion covered three subjects; How companies can improve service to agents; how agents can cooperate with field men to get the most benefit from them and their companies, and agency management.

#### Use Field Services

Mr. Miran said that agents can take advantage of field services and do a better job. He mentioned that an agent recently told him: You bring me the ideas and I'll sell. Give me the facts so that I can talk to a prospect with confidence. These are a field man's duties, Mr. Miran said. He gives an assist to the agent on the matter of insurable value, rating, and forms. The services are at hand and the agent should make more use of them.

Mr. Thomas added to Mr. Miran's remarks that one of the most important things a field man can tell an agent is what the company's position is on underwriting and what the company's underwriting pattern calls for from an agency.

#### Keep Office Detail Out of Visits

An appeal that agents not tie up the field men with office detail was expressed by Mr. Eppler. The field men try to help an agent, but often are called upon to go into things that are almost beyond them, he said. Field men visit an agency to help with selling, not go over details of accounts. He suggested that the agents review their system of

operations so they can spend more time outside the office.

Mr. Eastergard remarked that when appointing an agent, the field man might install an accounting system that can grow with an agency, not require revisions as volume increases. The field man's job should be concerned with education of the agent in all angles of agency operations.

Mr. Bissell asked that the agents remember the field men have problems, too. They are in the middle. They must listen to the problems of the agents and then tell the agents of the problems of the companies. There is a need for tolerance on both sides, he said.

Corlett Wilson declared that what the agents want of field men is assistance in establishing a sales program which will continue when the field man is not around, not a special deal that can only be handled by a specialist. The agent has responsibilities to the public and the field man should help in that responsibility and accept his own. The first responsibility of both parties is to the public and then to each other, he declared.

#### Reports on Reserve Ins. Co.

The Illinois department has printed the report of an examination of Reserve of Chicago at Dec. 31, 1947 showing assets \$552,411, capital \$200,000 and net surplus \$72,284. Fred E. Law is the president. The business consists of A. & H., full cover automobile, O. L. & T., carnival liability, burglary and theft and plate glass. There are about 100 agents.

Premiums earned during 1927 were \$652,518, losses incurred \$379,719, loss adjustment expenses \$20,425 and underwriting expenses \$327,188. The underwriting loss was \$74,815.

A meeting of New Jersey Assn. of Mutual Agents has been scheduled at Trenton the evening of Oct. 8.

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# Ohio Agents Convention Draws 500

## Perlet Frowns on Preferred Rates for Multiple Locations

### Rating Chief Counsels Fair Consideration, No Unfair Discrimination

COLUMBUS—There are plenty of arguments against prompt approval of rating plans giving preferential treatment to multiple location contents risks, according to Harry Perlet, chief of the rating section of the Ohio department, who addressed the annual meeting of Ohio Assn. of Insurance Agents here. Mr. Perlet's views, in many respects differed from those of Superintendent Dineen of New York, who addressed the same meeting.

The speaker emphasized that this class of business, if it may be called a class, is very small. He said it is poorly defined and there is no exact delineation of what risks come within the class. Also, comparing experience with the closest comparable class of general business indicates that the group is not deserving of further preferential treatment to the detriment of kindred risks now written on a full tariff basis and producing a much lower loss ratio.

### Merit Fair Consideration

Risks of this type have insurance problems that merit fair consideration but they do not merit unfair discrimination, he declared. The buyers, having been accustomed to special treatment, do not relish the prospect that the new regulatory procedures may destroy their previous advantages. Some hold out the threat of self-insurance or patronizing foreign markets. This is reminiscent of the old scare technique used in the 1932-40 era, he declared.

Mr. Perlet said that in 1946, interstate business produced premiums of \$13,700,000. For the 17-year period, 1930-46 inclusive, the loss ratio was about 56. The closest comparable class upon which statistics are available is mercantile stocks. In 1946 this group had premiums of \$3½ million in Ohio with a loss ratio of 40. The 10-year loss ratio is 41.

Obviously, he went on, either one rate level or the other is incorrect when there is a 17 point differential.

He cited the comment of the New York department in the 1940 examination of I. U. B. to the effect that the loss ratio on interstate business was 55 but on business written under form A, which is equivalent to single state form number one, it only averaged 30. The New York department pointed to the consistently favorable loss ratio on business written under form A, under which no discounts are allowed from specific location rates other than credit for the reporting clause on a 100% coinsurance basis.

### Cites Original Purpose

The reporting form, he declared, was originally set up to take care of a risk whose values and quantities of stock in trade are subject to fluctuation. The plan was designed to eliminate over-insurance and under-insurance so as not unduly to penalize insured by application of the short rate percentages.

The purchaser of such a contract obtains at least four advantages. His in-

(CONTINUED ON PAGE 39)

## FTC May Act on Dealer Issue, John Stott Says

COLUMBUS—The Federal Trade Commission may investigate the invasion of the insurance business by automobile dealers if the states fail to stop them, John C. Stott, Norwich, N. Y., vice-president National Assn. of Insurance Agents, warned in his talk at the meeting of Ohio Assn. of Insurance Agents here Monday. Reminding his audience that FTC unquestionably has jurisdiction over insurance to the extent that the states do not regulate it, Mr. Stott said that it is not in the public interest for automobile dealers to engage in this business, where their selfish interest could conflict with proper insurance service. He pointed approvingly to the New York law prohibiting coercion of insurance by financial and other interests.

Mr. Stott also said that the National Association is in contact with the Federal Trade Commission. While some agents fear FTC as an arm of the federal government, it can and should be a valuable policeman against abuses. No good agent, he said, fears a good law.

### Changes on Horizon

In addition to explaining the services of N. A. I. A., Mr. Stott said that a mild revolution in insurance is on the horizon and every agent must keep abreast of developments for his own salvation. Long established insurance customs, such as the term rule, are being questioned. Gradation of commissions by size of risk is being considered and

Mr. Stott said that in his opinion it will come into being. If that happens, he asked, are the agents ready to establish the necessity of a service charge on small policies?

Other trends which should be studied closely are the feeling that the experience of each class must stand on its own feet, the disposition to pay agents only for services actually rendered and, in that connection, the movement to avoid duplication of work and record keeping by companies and agencies.

### Cites Virginia Case

As an example of the importance of N. A. I. A., Mr. Stott pointed out that recently the Virginia insurance department, in reviewing automobile filings, demanded that the commission factor in the rates be justified. Only the National Association actuarial department was able to come to the fore with facts and figures in the interest of the agent.

Mr. Stott closed his talk with the statement that in his opinion the only weakness of N. A. I. A. is that it has not told every agent clearly how essential it is to the business. Urging his audience to be Americans first and agents second, Mr. Stott said that the great conflict between ideologies can be won only by convincing the public that private enterprise can do its job properly and agents must do their part by adopting the attitude that something is good for them only if it is good for the public and the country.

ticularly interested in him or his problem.

If there weren't a place for good agents, then the direct writing companies would have long since controlled the bulk of the business. That the insured does not buy at less initial cost from companies that eliminate the agent is a compliment to the agent and a challenge that can only be met by giving him complete and competent service.

Mr. Gallagher told of an agent that was threatened with the loss of a large account to a direct writing company, and he pleaded for a 10% reduction in rates. A company representative was sent to give assistance, and they called on the assured. They explained to the insured frankly that the difference in cost was what he was paying for the agent's service and advice. It was up to him to decide whether he was getting value received. The insured was evidently convinced because the business came back to the agent on renewal.

### Public Will Determine

The question of whether agents are worth what they cost will be determined by the public, because it is the public that pays the commissions. So far as the companies are concerned, it is unlikely that the business would have attained its present status without agents. Realization of the need for insurance is successfully created only through personal solicitation. Agents have become so inextricably a part of the business that the average insured has no thought as to the company in which he might be insured. He only knows he has confidence and trust in his agent.

Mr. Gallagher went on to say that any attempt by law or ukase to allot to any person or group, money which has not been earned will cause decay and eventual disintegration. He said at one time there probably seemed to be valid reasons to seek protection by law against loss of business by agents to

(CONTINUED ON PAGE 40)

## Carl Gluck Is Now at Helm of State Group

### Much Vital Material Presented at the Columbus Gathering

By JAMES C. O'CONNOR

COLUMBUS—With over 500 registered, Ohio Assn. of Insurance Agents gave serious attention to an exceptionally heavy convention program here Monday and Tuesday. The close of the two-day meeting found Carl A. Gluck, Youngstown, in the presidential chair, succeeding H. S. Boynton of Toledo, whose administration won universal applause.

The only resolution, apart from the routine ones, asked for adoption of a uniform rule permitting flat cancellation of fire and allied policies within 45 days after date of issue. The present rule distinguishes between those cancelled before and after the 15th of the month, resulting in considerable variation as to individual policies.

Mr. Gluck was born and educated at Youngstown. After several years in the tire and automobile accessories business, he went into the F. E. Gailor agency there acquiring ownership of the agency in 1929. He served three years as a trustee of the Ohio association and

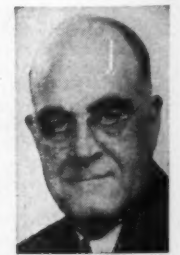


Carl A. Gluck

Mr. Gluck was born and educated at Youngstown. After several years in the tire and automobile accessories business, he went into the F. E. Gailor agency there acquiring ownership of the agency in 1929. He served three years as a trustee of the Ohio association and



H. S. Bowen



J. F. Van Vechten

a term as chairman of the finance committee before becoming vice-president last year and president of Youngstown Board in 1935 and 1946. rector and chose H. I. Covalt of Lorain trustee at large.

### NEW OFFICERS ELECTED

President—Carl A. Gluck, Youngstown.

Vice-president—H. S. Bowen, Norwalk.

New trustees—W. H. French, Zanesville; R. R. Schryer, Lima; E. R. Hunsicker, Akron.

H. S. Bowen of Norwalk who has been active and prominent in the association for many years, was elected vice-president and is in line to succeed Mr. Gluck next year.

The board of trustees reelected J. F. Van Vechten, Akron, state national di-

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## Assigned Risk Plan Big Business

COLUMBUS—Ray H. Miller, manager of the Ohio automobile assigned risk plan, gave those attending the Ohio agents association here an insight into the problems of his organization. He said that for the period ending June 30, 1948 there were 3,749 units handled under the plan and premiums amounted to \$159,559. For the previous 12-month period there were 853 units and \$32,047 premiums.

Of the units processed during the latest 12 months, policies were written on 2,201 units and applications were pending on 411. On 1,137 units policies were not written because the applicants failed to pay the premiums or were not in good faith entitled to the insurance.

Mr. Miller estimates that 6,000 units will be processed during the current 12 months period.

Mr. Miller said the insurers cannot afford to be too technical in handling of assigned risk applications, nor can agents refuse to service the risk because of a small commission. On the other hand, it is not the intent of the plan to provide insurance for everyone, regardless of past history or other conditions and hence, only persons in good faith entitled to the insurance are accepted.

During the latest 12 months period, the committee heard 61 appeals. Companies were sustained on 33 cases, the applicants were sustained on 28 and 10 were referred to the manager to secure more information. One case was appealed to the insurance department and the decision of the governing committee was sustained.

The revised plan will be put into effect as soon as copies of the plan can be distributed.

Many agents complain of charges on a risk requiring the filing of a financial responsibility certificate. Mr. Miller observed that in Ohio, an operator's certificate only is filed. Accordingly, a company covering an owned car would be entitled to the premium for an owned car, plus the charge for broad form drive other car coverage, plus the manual surcharge for filing the certificate, plus the surcharge permitted by the plan.

## Hurricane Force Dodges Miami

Fire insurance people were anxiously following the course of the latest hurricane and were relieved to learn that by the time it reached the Miami area it had moderated considerably. While the loss in southern Florida will be heavy, it is unlikely to approach the damage that was done in either of the two hurricanes that struck last fall. Another catastrophic blow this year would have been particularly disheartening. Just recently the Florida department approved windstorm rate increases and this, it was hoped, would serve to improve the market situation. Another multi-million loss at this time would certainly cause the market shortage to become even more acute.

## DEATHS

August L. Hobler, honorary chairman of Zurich, died at his home at Zurich, at the age of 76. He started with Zurich in 1900. He occupied successively the posts of assistant manager from 1905 to 1913, manager from 1914 to 1918 and general manager from 1918 to 1927.

In 1927 Mr. Tobler relinquished the post of general manager to Robert M. Naef and became a director. He was elected chairman in 1929 and honorary chairman in 1943 when Mr. Naef became chairman.

Benjamin F. Barrows, who conducted an insurance business at Buffalo for 12 years, died in a Buffalo hospital.

## Avoid Farmers of Limited Success, Walinder Counsels

COLUMBUS—The important point in farm underwriting today is to avoid any farmer who is not very successful—not just one who is insolvent—B. R. Walinder, Chicago, secretary America Fore, told the farm panel of Ohio Assn. of Insurance Agents here. Physical and economic development in farming have eliminated farmers on marginal land, but a recession in farm prices would send many farmers into other work.

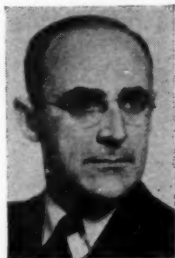
Mr. Walinder supported his view by pointing out that in 1776 it took nine farmers to support themselves and one city dweller, while today two farmers feed themselves and eight other people. He also said there are strong indications that political fear of inflation will deprive farmers of their present preferred price position.

Farm underwriting has been successful only when application plans have been used and thoroughly applied, Mr. Walinder said. He also said that in his opinion no one has yet devised a workable deductible form.

The Ohio association has a very active farm committee and the Tuesday session drew a large and interested crowd. Past President Karl Dakin, Lebanon, discussed underwriting from the agents' standpoint and J. B. Woolam, Cortland, association trustee, reported for the farm committee. Richard Berry, Urbana, who succeeded the late Paul Tribolet, Bellevue, as committee chairman, presided.

## Barrett Receives Paul Revere Ohio Trophy

COLUMBUS—J. W. Barrett, Cleveland, was awarded the Paul Revere trophy of Ohio Assn. of Insurance Agents at the annual meeting here.



J. W. Barrett

The award goes annually to the member making the outstanding contribution to the insurance business. L. T. Powell, Mansfield, a trustee of the association, announced the award and made the presentation at the dinner Monday evening.

Gustav May, Cincinnati, immediate past president, presented H. S. Boynton, Toledo, retiring president, with a traveling bag in the name of the Ohio Association.

## Security Laws Analyzed

Assn. of Casualty & Surety Companies has published a revised chart analyzing automobile financial responsibility laws.

Insurance Women's Club of Oklahoma City met Sept. 8 to discuss arrangements for the year. Pauline Nelms reviewed activities of the vacation period. The next meeting will be Sept. 22.

## OHIO AGENTS BRIEFS

Two conducted tours featured the Women's entertainment.

There was a trip behind the scenes of the Lazarus Department Store and another through the Lustron Corp., showing porcelain prefabricated houses. A luncheon at the Leveque-Lincoln Tower followed the tours.

Hartford Fire headquarters had P. S. Beebe, Chicago, associate western manager, and W. H. Burkmyer, assistant manager. Hartford Accident was represented by F. E. Bradenbaugh, Pittsburgh, manager; Al Battistini, assistant manager; E. C. Jackson, casualty superintendent, Pittsburgh; V. G. Brown, Columbus manager; R. F. Lloyd, Cincinnati, agency superintendent and D. W. Lehmitt, Dayton, special agent.

Baker Bradenbaugh, Chicago, special representative, was on hand for U. S. Aircraft Insurance Group.

# A Reliable Connection

*Policy-holders and agents alike  
have found it pays to rely on  
RELIABLE!*

Cooperation and service, coupled with prompt payment of just claims, has established complete confidence in this 83-year-old insurance institution.

## "The Reliable"

compliments the Ohio Association of Insurance Agents, Inc., on the occasion of their 51st Annual Convention.

**RELIABLE**  
**FIRE INSURANCE COMPANY**  
**DAYTON, OHIO**

*An Independent Company*

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## State Officials Decide to Seek Parley with FTC

### N.A.I.C. at Chicago Meet Moves Guardedly on Federal Question

The more than 30 insurance commissioners or other departmental representatives attending a special meeting of the N. A. I. C. executive committee at Chicago last week, voted unanimously in favor of authorizing appointment of a committee to confer with federal trade commission on the questions raised by FTC in the realm of mail order insurance activities in FTC's recent interrogatory to insurance commissioners.

A letter from N. A. I. C. to FTC will state that the commissioners at Chicago were unanimous in their expressions of willingness to supply FTC with all available factual data bearing on the problem in question and also informing FTC that the executive committee and the president of N. A. I. C. were authorized to appoint a committee to review with FTC all pertinent matters and that an early conference between the commissioners' committee and FTC at Washington is desired.

Also, it is understood, the commissioners took steps to have the all-industry committee reactivated for the purpose of carrying forward studies on the question of what, if any, additional controls at the state level are desirable in the matter of mail order and unauthorized insurance.

#### One Session Open

Morning and afternoon sessions were held the first day and then there was a morning session the second day. The first session was open to industry representatives but the others were closed.

Much of the discussion, it is understood, dealt with various procedures of federal trade commission and of the post office department dealing with fraud and unfair trade practices. Many of the commissioners had very sketchy ideas of just how these federal agencies proceed and they were interested in getting posted on these matters. There were no representatives of federal trade commission present.

There was the utmost interest indicated, it is understood, in just how far FTC intends to go. The letter that was sent to the individual commissioners from Edward W. Thomerson, FTC assistant general counsel, under date of Aug. 2, had been studied closely. Some of the commissioners were inclined to attach significance to the request in the Thomerson letter for information not only regarding companies that operate exclusively by mail, but also as to those that use agents to follow up leads received from advertising. They felt that the latter inquiry might well lead into fields beyond the type of company that is generally thought of as a mail order insurer.

Some of the commissioners, in lobby discussion, pointed out that a number of the states have enacted state fair trade practices acts that were designed to oust FTC of jurisdiction under public law 15. Hence, if FTC should undertake to take a hand in insurance regulation, the question might arise particularly as to the validity of any move that FTC might make in those states that have on their statute books count-

## Hartford Boiler Returns to Bureau Fold

National Bureau of Casualty Underwriters announces that Hartford Steam Boiler has been elected to membership in the bureau, and is appointed to serve on the rating committee of the boiler and machinery division.

Also Employers Liability and American Employers became countrywide service subscribers of National Bureau for boiler and machinery business.

A few years ago Hartford Steam Boiler and Employers Liability pulled out of the bureau and there eventuated the spectacular rate war, from which all boiler insurers are still licking their wounds.

## Order Cal. State Auto Assn. to Take Assigned Risks

San Francisco county superior court in the appeal of California State Automobile Assn. from the ruling of Commissioner Downey that it must accept all risks assigned it under the assigned risk plan, denied the appeal of the association and upheld the decision of the commissioner. California State Auto is expected to appeal to a higher court.

Thomas G. Aston, Jr., manager of the assigned risk plan at a meeting at Los Angeles of company officials, agents, brokers and others interested in automobile insurance reviewed this case and various aspects of the operation of the plan.

## Discuss Regulation 30

Assn. of Casualty & Surety Accountants & Statisticians discussed regulation 30 at its September meeting and exchanged suggestions for meeting the requirements of the ruling. The group avoided any discussion of the merits or demerits of the controversial regulation, accepting it as something they must learn to operate with.

errparts of FTC legislation.

The whole issue was brought to a focus by the filing of a request with FTC for a trade practices conference by Wendell Berge, general counsel for the recently organized Assn. of Insurance Advertisers. This group comprises a number of mail order insurers. The post office department has been moving against a number of companies in this field and there have been several indictments. It is felt that the strategy of these people is to seek to come to terms with FTC so that their whole problem can be regarded as solved and the prosecution approach dropped. In so doing they may open up questions that might involve the whole industry and the future of state regulation, just as the legislation sought by the fire companies, after the S. E. U. A. indictment caused far reaching consequences to the entire insurance fraternity and to the states.

The commissioners undoubtedly had in the back of their minds the fact that a national election is at hand and that the policy of the next administration as to FTC insurance activity will be a highly important factor. The state officials naturally must have felt that if there is to be a change of administration, it is not now timely to go very far in working out an understanding with FTC.

While there was manifestation of a desire to cooperate with FTC, there was also an obvious reluctance to retreat from any responsibilities of state supervision or to make any move that could be construed as acknowledging that there exists a field for federal intervention.

## Claim Men Hold Annual Gathering

One of its most successful annual meetings was concluded this week by the International Claim Assn. at Wernersville, Pa. More than 300 members and their wives attended to hear and participate in a top notch program. There was an agreeable division of activity between insurance discussions and golf, and other sports which fitted well in the summer resort atmosphere of Galen Hall.

The talk by E. J. Faulkner, president of Woodmen Accident, in which he outlined a program for offsetting the rising influence of collectivism in the insurance industry, impressed his audience.

Commissioner Malone and Lt. Gov. Strickler made appearances.

The organization now has a membership of more than 235 life, accident and health and casualty insurance companies in the United States and Canada. Walter E. Trout, Penn Mutual Life, reported in his presidential address. He recommended that the association sponsor a scholarship in a school of insurance such as the University of Pennsylvania; maintain a student preparing for college who desires to become a doctor or an attorney, or possibly train a nurse.

The constitution of a company organization was analyzed in detail by James A. McLain, president of Guardian Life. Dr. R. M. Filson, associate medical director of Travelers, discussed medical and claim department teamwork, and Dr. A. S. Rose, Boston neurologist, talked on "Pain."

#### Faulkner's Program

Mr. Faulkner recommended cooperation of the A. & H. industry with state supervisory officials interested in a continuation of private enterprise in insurance; aid to public authorities, state and national, in policing the business and eliminating the infrequent but damaging miscreant; state reciprocity in the acceptance and approval of policy forms, which would eliminate the unnecessary burden of minor differences in requirements from state to state.

Also, Mr. Faulkner thinks the division of personal insurance between life and casualty should be eliminated. This distinction violates the kinship of life and A. & H., tends to confuse thinking of supervisory officials, the public and even the business itself. He recommended A. & H. be withdrawn from the casualty category and, with life insurance, be designated as "personal insurance." This would lead to substantial operating economies for insurers writing both lines and facilitate extension of comprehensive coverage to more insured.

The A. & H. industry should extend help to all voluntary types of risk bearer that seek to provide security within the free enterprise system, including Blue Cross and state medical care plans, even though they are competitive.

The A. & H. industry should take the initiative in advocating nationally a constructive public health program—expansion of the sanitation and public health measures that government alone can implement, greater study for the more effective distribution of medical personnel, hospital and rural health facilities, and intensification and coordination of research on various diseases. Instead of simply opposing enactment of compulsory coverage, the industry should press vigorously for more and better sanitation and research; that is the way to get improved health in this country.

The quality of A. & H. protection should be improved and the cost reduced, he said. There is still much to be learned from market analysis and in the field of selection, training and supervision of agents. If underwriting has been too selective, perhaps there is room for progress in underwriting the im-

## Move to Harmonize Accounting Rules, Statement Blanks

### Commissioners Group Names Liaison Committee to Reconcile Differences

At a meeting of the uniform accounting committee of National Assn. of Insurance Commissioners at Chicago last week, it was decided to appoint a subcommittee of technicians to keep in touch with the blanks committee so that changes in the annual statement blanks may be made in harmony with the requirements of New York's regulation 30 on uniform classification of accounts and on any uniform accounting regulations that may be adopted by N.A.I.C. This subcommittee consists of Joseph Collins of New York, chairman; Earl L. Berger, Pennsylvania; F. T. McGovern, Rhode Island and W. H. Bittel, New Jersey.

Thomas Morrill of the New York department, who has been specializing in this uniform accounting matter, told of the necessity for harmonizing accounting regulations and changes in the blanks. He said it is important that the companies not be required to keep records one way for regulation 30 and another way for the annual statement blanks. He said there is considerable urgency in this matter because the companies must very shortly set up their record systems for next year and many of the forms that the companies require must be printed. He said that the company accountants are holding weekly meetings these days in order to consider all of the various problems in connection with the mechanics of complying with regulation 30.

Harrington of Massachusetts injected a question about acquisition cost analysis. He said he feels that there are being assigned to acquisition costs, expenses that do not properly belong there. He spoke of the fact that agency commissions are being reduced and he said that accounts should be kept in such a way that the commissioners can determine whether the savings thus effected by the insurers are being passed along to the public in the form of rate credits. He indicated the belief that insurance company stockholders should not be permitted to benefit by agency commission reductions.

Mr. Morrill asked Mr. Harrington to submit specific proposals for amending regulation 30. He brought out incidentally that such amendments under the New York law, could be made only on June 30 of any year.

The meeting was held following adjournment of the gathering of commissioners to consider the problems arising from the federal trade commission inquiry regarding mail order insurance operations.

paired applicant.

He urged a program of training personnel to assume responsibilities of top management of insurance companies, and recommended the industry identify personal insurance with the free enterprise system in all of its important transactions with policyholders, particularly when the agent writes the insurance and delivers the claim check.

## Experience Rating Plan For Banks Is Revised

Surety Assn. of America has revised as of Sept. 1 its experience rating plan for financial institutions to provide for a more equitable application of the experience rating formula. In addition, the table of adjusted loss ratios was changed to provide for the application of the maximum experience credit of 40% to those assured whose adjusted loss ratio is 10% or below as compared to 5.9% or below under the old plan. A higher experience credit is now available to those insured who presently do not enjoy the maximum credit.

The changes, which were filed in all states and approved where required, principally affect commercial banks, savings banks, investment bankers, and stock brokers.

Other changes in the new plan provide that no single loss is to be charged to the assured's experience for more than 50% of the five year premiums reported, and the largest single loss shall not be used in arriving at the experi-

ence rate to affect the premium for more than a three year premium period.

All risks having an anniversary date on or after Sept. 1 have or will have their experience credit computed under the revised plan. The new experience credit will be applied as the risks are submitted for renewal. Companies will then be informed of the new experience credit for the ensuing anniversary date and adjustment will be made retroactive to Sept. 1, 1948. It would be physically impossible to compute the experience credits under the revised plan on every risk entitled to them at this time.

Risks are usually submitted to the association 60 days before the anniversary date of the policy. Every case that receives less than the maximum experience credit is submitted every 12 months so that a higher credit can be allowed during the term of the policy if applicable.

## Compensation Assn. Elects

NEW YORK—S. H. Givens of Missouri was elected president of International Assn. of Industrial Accident Boards Commissions at its convention at New York. He succeeds Mary H. Donlon of New York. A reception was tendered by compensation insurers.

## H. G. Kemper Warns Mass. Agents Offer Plan for Easing Auto Market Stress

PHILADELPHIA—Federal regulation of insurance would lead inevitably

to federal ownership and operation of insurance, and all insurance agents would become postmasters behind wickets, H. G. Kemper, president of Lumbermen's Mutual Casualty, declared in addressing a meeting of 350 Kemper group agents here.

"Our companies as well as many other underwriters throughout the nation are giving strong support to the effective administration of state regulating and rate supervising agencies," Kemper said.

"Great progress has already been made both in the interest of the public welfare and in the interest of insurance companies whose investments represent such a tremendous stake in the free enterprise system."

It is unthinkable that the American people would ever want these investments turned over to a governmental agency, he declared.

Mr. Kemper said it is in the self-interest of policyholders, as well as companies, and agents, to uphold state regulation.

Mr. Kemper also spoke on highway safety. He contended that much of the blame for traffic deaths rests on the shoulders of parents who set bad examples for their children. "The parents drive fast," he declared. "The children grow up and drive faster—and kill a lot of people in the process."

He urged the agents to return to their home towns and become spearheads in a renewed drive to force down the traffic fatality rate.



H. G. Kemper

BOSTON—In an attempt to reduce the confusion in Massachusetts encountered by the compulsory automobile liability insurance business in recent years, Massachusetts Assn. of Insurance Agents sent a questionnaire to its members asking for suggestions as to a solution. There have been 325 answers received to date and as a result the automobile liability committee of the association has prepared a plan and code which will be submitted to the companies' committee of six.

The committee of six consists of American Mutual Liability, Employers Liability, Liberty Mutual, Lumbermen's Mutual Casualty, Massachusetts Bonding and Travelers.

It is proposed that each company be required to assume a quota of the total automobile casualty business offered; that the quota be fixed percentage-wise by the company's ratio of all casualty business written by it in Massachusetts, to the total casualty business written in Massachusetts by all companies combined; that each company have the option of accepting business through either agency channels or assigned risk bureau.

Also, that a company may not defer acceptance of, or may not refuse, automobile insurance while its quota remains unfilled.

## Equal Responsibility Sought

The agents association says it desires to serve the public without jeopardizing the financial good health of any company. This objective can be accomplished if all companies will accept an equal responsibility toward the insurance requirements of the automobile owners.

The proposed voluntary code would provide precise definitions which would classify objectionable risks, such to be routed directly to the assigned risk bureau by the agent.

Agents would accept all other applicants.

In cases of reasonable doubt, the agent may accept the applicant conditionally, pending review by a board of review.

In cases not marked for review by the agent, the company contending that a reasonable doubt exists may refer to board of review.

The decision of the board would be final.

The board would consist of a company man, an agency representative and a "non-partisan."

## Claims Adjuster Gets Own Claim Adjusted

Edward S. Fick, Colonia, N. J., was running in a one-legged race at a picnic sponsored by American Mutual Liability last summer when he broke his leg. A claims adjuster for American Mutual, Mr. Fick filed a claim for workmen's compensation, which the W.C. court turned down. The denial was upheld by the common pleas court. Mr. Fick was preparing an appeal to the state supreme court when the insurer of American Mutual Liability, Liberty Mutual, made a settlement of \$687.

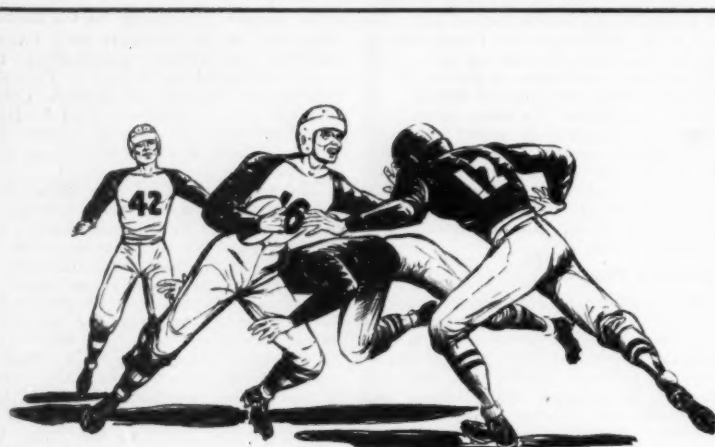
## Polio Conference Formed

A meeting is being held at Ft. Worth this week to form what is to be called Assn. of Polio Underwriters & Claim Settlement Personnel. Some 25 companies are writing polio policies in Texas and this is an attempt to get a forum for exchanging experiences and possibly for standardization of underwriting procedures and practices. The meeting was called by O. R. Leverett, vice-president of American Fidelity Life of Ft. Worth.

Steps will be taken to perfect the organization and there will be an open forum discussion of underwriting practices and precedures and another on claim practices and experience. This type of policy is being extensively written these days. At first the premium charge was usually \$10, but now a number of the companies are writing it for \$5 on a family group basis and providing benefits up to \$5,000 for medical, hospital expenses, iron lung, nurses, transportation, braces and crutches.

## Give Convention Report

LINCOLN, NEB.—At the September meeting of Lincoln Assn. of A. & H. Underwriters, James Quinn, Woodmen Accident, and C. P. Van Vliet reported as delegates to the National association meeting at Minneapolis.



## First Downs Make Touchdowns

Every yard gained brings the goal line just that much closer. In the Insurance field, every policy sold builds the Agent's premium income. That is why the HAWKEYE-SECURITY companies work closely with Agents. HAWKEYE-SECURITY are geared to help Agents build sales. Every department of these friendly, co-operative companies knows its signals . . . and speeds down the field, clearing the gridiron for the Agent carrying the ball.

**HAWKEYE CASUALTY Co.**  
**SECURITY FIRE INS. Co.**

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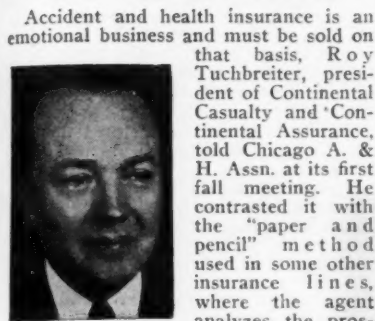
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General Agencies—Cobb & Stebbins, Denver  
George M. Yamada, Honolulu



## Must Sell A. & H. On Emotional Basis: Tuchbreiter



I. G. Wessman

Accident and health insurance is an emotional business and must be sold on that basis, Roy Tuchbreiter, president of Continental Casualty and Continental Assurance, told Chicago A. & H. Assn. at its first fall meeting. He contrasted it with the "paper and pencil" method used in some other insurance lines, where the agent analyzes the prospect's policies with the idea of showing him how to reduce his rate. He said there are still some accident and health agents who sell destructively, picking out faults in the coverage a man has and selling by tearing down. "Stay away from agents of that type," he advised, "adding that their sales are likely to result in claim trouble."

In that connection he emphasized the importance of the claim department in accident and health sales, and making it a real part of agency work. "Any company can write all the accident and health business it wants today," he said, "but if it is to stay in business it must have a good claim department."

He reviewed the development of A. & H. insurance from the era of high pressure salesmanship 30 years ago, when it was solicited and not sold and questionable practices were quite common, to the merchandising business that it is today.

Mr. Tuchbreiter urged that the business do more living with the insurance commissioners and let them know what the public wants.

### Wessman Announces Year's Program.

Irving G. Wessman, Loyalty group, association president, in introducing Mr. Tuchbreiter, emphasized that there is a big job to do in Illinois. Reviewing the development of UCD plans in various states, he warned against the idea that "it can't happen here." He said the Chicago association will work closely with other organizations but feels that the Illinois situation is primarily its responsibility.

He announced the program for the entire year: Oct. 19, H. P. Skoglund, president North American L. & C.; Nov. 19, annual banquet, which will be a memorial to Harold R. Gordon, with J. V. J. Skutt, president H. & A. Underwriters Conference, as chief speaker and Insurance Director Parkinson, the chairman and vice-chairmen of the Illinois legislative insurance committees as guests; Dec. 21, Christmas orphans' party, with outstanding sport and screen stars; Jan. 18, J. F. Follmann, Jr., Bureau of A. & H. Underwriters, reporting on the N.A.I.C. meeting; Feb. 15, W. E. Leiby, Los Angeles A. & H. general agent; March 15, sales congress, morning, afternoon and luncheon, with J. E. Powell, Provident L. & A., as luncheon speaker; April 19, Melvin Evans, "Human Engineering in A. & H. Insurance;" May 17, annual meeting, with R. J. Wetterlund, Washington National, speaking on legislation and A. & H. claims; June 21, annual outing.

Harold Bredberg, National Service & Appraisal, membership chairman, reported 42 new members, bringing the total to 214, the highest of any of the 60 local associations.

J. M. Smith, vice-president of Continental Casualty in charge of A. & H.; George R. Kendall, president Washington National, and H. A. Clark, western manager of the Loyalty group, were honor guests at the head table. Nearly 200 attended the luncheon.

## Mich. Investigates Insurance For Under-Age Drivers

PONTIAC, MICH.—Complaints that young drivers are having difficulty obtaining automobile insurance and that companies have a tendency to cancel coverage on old-model cars despite the motorists' financial responsibility law were voiced at a hearing of a special legislative committee investigating automobile financing and insurance practices.

Representatives Neil D. Reid, Detroit and Harvey Lodge of Pontiac conducted the hearing for the committee.

Similar sessions have been held in other cities, laying the groundwork for a report to the 1949 legislature which is expected to prove the basis for some new regulatory legislation.

Instances were given where insurance was cancelled because cars were driven by sons under 25 years of age.

James A. Taylor, agent, told the committee that no age distinction is made despite records indicating that drivers under 25 years are more accident-prone than in other age brackets. Classification is made on individual driver records, and in any case insurance may be obtained at higher premiums, through the state's assigned risk pool.

The complaint relative to cancellations on older cars came from a labor union representative.

## Becomes Landes-McDonald

Following the recent death of N. H. Landes, local agent at Bartlesville, Okla., the name of the agency has been changed to Landes-McDonald. It is being operated by Mrs. Landes and Rufus L. McDonald.

**Remember: Because your Maryland agent knows his business, it's good business for you to know him**

Since 1945, this pointed slogan has appeared in nearly every Maryland advertisement published in national magazines having an estimated readership of 350,000,000 persons.

This is one example of how Maryland national advertising is designed to aid the Maryland agent—to convince the public of the value of his services, to build his prestige, to help him get more and better business.

**MARYLAND CASUALTY COMPANY**

**50th Anniversary 1898-1948**

**THE MINUTE YOU SAVE MAY BE YOUR LAST**

**YOU KNOW... AND KNOWS THAT HE KNOWS**

**NO TURNING BACK**

**NO PLACE FOR AN AMATEUR**

**IT'S ALL RIGHT FOR HIM!**

**STRIKE THREE... COMING UP!**

**WHEN HINDSIGHT IS FORESIGHT**

**THE MINUTE YOU SAVE MAY BE YOUR LAST**

**YOU KNOW... AND KNOWS THAT HE KNOWS**

**MARYLAND CASUALTY COMPANY**

## Security Mut. Cas. Denies Charges of Excess Underwriters

NEW YORK—Security Mutual Casualty has filed papers in federal court here denying completely the allegation of Excess Underwriters, Inc., and asks for a judgment dismissing the complaint. Excess Underwriters has charged that Security Mutual has been attempting to entice away the business that Excess wrote for S.M.C. as a prelude to the termination of the contract between the two companies on Dec. 31. A date for the trial has not been set.

Among the complaints made by Excess are that S.M.C. has been soliciting assured direct, telling them that it will write the business at lower rates; that S.M.C. is trying to take away the business which rightfully belongs to Excess according to the customs and usages of the business; and that Excess will suffer damages in excess of \$100,000. Excess has asked for a declaratory judgment ordering S.M.C. to refrain from performing these actions.

The original agreement between the companies was signed in 1937 and con-

stituted the appointment of Excess as S.M.C.'s underwriter to solicit, secure, and underwrite reinsurance, and excess insurance of all classes of casualty business. S.M.C. agreed to pay Excess commissions of 15% on reinsurance and 20% on all other classes. Among other provisions of the contract was one which limited the amount of policies, treaties or binders Excess could write to \$500,000 without the approval of an executive of S.M.C., and a stipulation that a \$50,000 bond be furnished S.M.C. for the faithful performance of the contract.

Pre-trial examination of the attorneys for Excess, Lord, Day & Lord, was scheduled this week at the New York City offices of S.M.C.'s attorneys, Davis, Polk, Wardwell, Sunderland & Kiendl.

### Asks to See Records

Among the records which S.M.C.'s attorneys asked be brought to the pre-trial discussions were those showing the efforts expended and expenses paid by Excess to build up the business it alleges that S.M.C. is trying to take away; records, memoranda, and writings upon which Excess intends to rely in establishing the customs and usages of the business in regard to its ownership and control of expirations and renewals; and records, correspondence, and memo-

randa, containing, recording or referring to the alleged threats, solicitations, misstatements and other wrongful acts of S.M.C., or containing the names of the clients Excess claims were threatened, solicited, or misled by S.M.C.

## C.P.C.U.'s to Meet at Chicago Sept. 27

A substantial percentage of the 145 individuals who have been awarded the designation of Chartered Property & Casualty Underwriter will be at Hotel La Salle, Chicago, Sept. 27 for the two-day annual meeting of the Society of C.P.C.U. One of the highlights will be the formal conferment upon the most recent qualifiers by Dr. Harry J. Loman, dean of the American Institute. This ceremony will take place at an all-industry luncheon Sept. 28.

Principal speaker at the luncheon will be New York Superintendent Robert E. Dineen, and guests of honor will include Illinois Director Parkinson.

The meeting will open with a seminar on cost accounting problems in relation to fire and casualty insurance, with a membership luncheon and an inspection of the Underwriters Laboratories. The second day will be devoted to a business meeting of the society, with the all-industry luncheon at noon, and an evening banquet. The society's president, Robert F. Sommer, executive secretary of Planet, will preside at the business meeting. Richard E. Farrer, director of the educational division of National Assn. of Insurance Agents, will preside at the seminar.

Speakers other than Mr. Farrer who will discuss aspects of cost accounting are: Edward Evans, Lenihan & Co., Cleveland; L. Ray Ringer, educational director Aetna Casualty; H. W. Mullins, western agency superintendent National Fire; Scott Kidd, assistant controller Standard Accident, and George Gibson, Kentucky state agent London & Lancashire.

President of the Chicago chapter, hosts for the meeting, is Malcolm G. Young, supervisor of Zurich.

## Mass. Compulsory Auto Rates for 1949 Lower

BOSTON — Compulsory automobile liability insurance rates in Massachusetts will be from 40 cents to \$1.40 lower in 1949, bringing a reduction of about \$700,000 in premiums under the 1949 schedule promulgated by Commissioner Harrington.

However, Tax Commissioner Long announced the excise tax on all registered motor vehicles will be increased \$3.25 over the 1948 levy—to a total of \$41.32.

Commissioner Harrington explained the slightly lower rate by pointing out the accident fatality rate if the state dropped from 7.5 per 100 million miles traveled in 1947 to less than 5% this year. Notwithstanding the increase of registered vehicles to 1,019,485, the highest ever, the number of deaths in the year up to Sept. 16 was 88 less than in the same period last year.

Chelsea, highest rated city, will pay \$60.40 for liability, decrease \$1.40; Boston \$51.50, down \$1.10. The state is divided into 17 territories, the rate in the lowest being but \$16.50 per car, as in Becket.

A hearing will be held Sept. 30 on the new rates.

## Insurers Won't Drop B. C. Group Cover

TORONTO — To what extent will private insurers be affected by British Columbia's new compulsory hospital insurance scheme, which begins operations Jan. 1? Wild rumors are being set at rest to a large extent as the result of a statement issued by R. Leighton Foster, counsel of Canadian Life Officers Assn., which says:

"While I cannot speak for the individual companies, I am satisfied that no foundation exists for the report that companies generally have decided to withdraw group policies from British Columbia. Many of these policies provide weekly indemnity and other benefits in addition to hospital benefits. However, the government's pamphlet makes it clear that unlimited public ward hospital benefits provided by the government plan are being subsidized by amusement tax and other revenues and I think it follows inevitably that private companies as represented by the Blue Cross and insurance companies cannot possibly offer benefits equivalent to those provided by the government plan at anything like the comparable premium costs.

### May Need to Amend Policies

"Therefore, it appears that all persons in British Columbia including employees presently covered by such group policies will be required and will find it to their advantage to register for the government plan. Under these circumstances, I think it must be assumed that some employers will wish to have their policies amended to provide reimbursement for the excess cost of private and semi-private ward accommodation while other employers will wish to cancel out the hospital benefits in their existing policies. Doubtless, interested employers will be discussing these matters with their insurance companies as the details of the government plan become more generally known."

While the government expects to take in some \$10 million in family premium payments in the first year, this will not defray anticipated costs of the new insurance scheme. Single persons 16 years and over will pay an annual premium of \$15, the head of a family with one dependent \$24, and for more dependents the limit per family has been set at \$30.

## Wis. Adjusters Pick Type of Programs Desired

MILWAUKEE—Round table discussion of type of programs to be given at monthly luncheon meetings of Casualty Adjusters Assn. of Wisconsin featured the opening fall meeting, attended by 39 representatives. In the absence of President N. B. Winkless, Globe Indemnity, and Vice-president C. E. Clemons, Standard Accident, the new secretary-treasurer, A. C. Klotz, Allstate, presided. C. A. Christiansen, Hardware Mutual Casualty, former secretary, assisted in conducting the meeting. Shelby Mutual was accepted as a member, and Russell Gebhardt was admitted as an associate member.

## Dr. Toll Slated at N. Y.

Dr. R. M. Toll will speak on the care and setting of fractures at the first fall meeting of A. & H. Club of New York.



## TRAFFIC MERRY-GO-ROUND

Such **COSTLY CONFUSION** takes more than dollars. For safety's sake work for uniform traffic regulation.

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## CHANGES

### St. Louis Service Unit

Western Casualty & Surety and Western Fire of Fort Scott have established a service office in the Title Guarantee building, St. Louis, for southern Illinois and eastern Missouri. The office is under the direction of State Agent Earl S. Hannan, assisted by Special Agent Charles A. Rott. The engineering and payroll auditing department is under the supervision of A. C. Ruehmann.

Gibson Browne has charge of the fidelity and surety department at St. Louis. The companies long have maintained a complete claim department at St. Louis under the direction of Hal A. Leistriz.

### Alexander to Higher Post

E. H. Alexander has been promoted to assistant resident manager at San Francisco for Hartford Accident. He attended University of California at Berkeley and went with Hartford Accident at San Francisco in 1928. He was later appointed special agent in western Washington and in 1943 he was president of Casualty Insurance Assn. in Washington. He was also chairman of the educational committee, and for several seasons lectured on casualty subjects. He was recently transferred to Sacramento.

### St. Clair Named Counsel

Ashley St. Clair has been appointed counsel of Liberty Mutual. He has been with the company since 1923. He served its New York office as a claims adjuster and investigator until 1928 when he returned to the home office. He subsequently became an examiner, then chief examiner of liability claims and in 1943 assistant vice-president and special claims counsel.

He graduated from Dartmouth and served overseas in the first war. He is a graduate of Northwestern University law school and a member of the Massachusetts bar.

### Jensen Bonding Manager

Swett & Crawford has appointed Walter L. Jensen as manager of its surety department at Oakland, Calif. He formerly was with the coast department of Central Surety at San Francisco. He started in the bonding business with Glens Falls Indemnity in 1930.

### Sanders to Iowa Company

Raymond T. Sanders has been appointed manager of the accident prevention department of Employers Mutual Casualty of Des Moines, succeeding the late Oscar Nanfeldt, who organized the department. Mr. Sanders has been supervisor of the engineering and audit department of Glens Falls Indemnity at Chicago.

### G. M. Morrison Promoted

American Surety has appointed George M. Morrison as assistant manager of its casualty claim department. He is a graduate of University of Pennsylvania and Fordham law school and has been with American Surety since 1933.

### Promotion for H. W. Dorsey

Henry W. Dorsey has been promoted to associate manager at New Orleans by Fidelity & Deposit. He has been assistant manager there and has been with F.D. since 1934.

### Paynter, Petersen Named

Richard K. Paynter, Jr., vice-president and treasurer of New York Life, and LaRoy A. Petersen, president and director of Otis Elevator Co., have been elected to membership on the executive committee of the U. S. branch of Em-

ployers Liability. Mr. Paynter is also a director of Church Life and Church Fire.

Hadley C. Galleher, who has been engaged in sales promotion work with the Buckeye Union companies, has resigned to join the Kight Advertising Co. at Columbus.

## PERSONALS

Announcement is made of the wedding recently of **K. O. Saunders**, Chicago manager of Globe-Royal-Eagle Indemnity, and Mrs. Estelle Compton. Mrs. Saunders is owner of Estelle Compton Models School at Chicago. They are at home at 1608 Hinman avenue, Evanston, Ill.

Robert W. Owens, independent adjuster of Memphis, has been promoted from first lieutenant to captain in the U. S. marine corps. He was with Travelers before the war and with National Surety until he opened his office eight months ago. During the war he participated in the campaigns at the Marshall Islands, Saipan, Tinian and Iwo

Jima. He holds three purple hearts, silver star, presidential unit citation.

Thomas Dixon of the W. E. Lebby accident and health general agency, who is secretary of Los Angeles A. & H. Underwriters Assn., was seized with an attack of multiple sclerosis while on a plane going to the home office of Massachusetts Indemnity, and was taken to a hospital at Sayre, Pa. Information from Sayre is that he has recovered sufficiently to be out of the hospital and walk around with a cane.

John J. Nangle, president of Utilities of St. Louis, has been appointed Missouri finance director for the Democratic national committee. He is also Democratic national committeeman from Missouri.

## DEATHS

Jerome Bernoudy, 79, veteran St. Louis broker, died of cancer following an illness of about six months. He had been in the insurance business for 16 years, brokering his business through Travelers.

William N. Weis, 43, attorney in the Milwaukee office of Ohio Casualty, died

at his home following a heart attack. After graduating from Marquette University law school, he was with Continental Casualty before joining Ohio Casualty.

Leo J. Carling, 63, superintendent of the boiler and machinery department of Fidelity & Casualty until his retirement in 1936, died at his home at Fairhaven, N. J. He joined the company in 1915.

### Ohio Assigned Risk Election

Ohio automobile assigned risk plan at its annual meeting at Columbus re-elected Ray H. Miller of Hamilton manager and secretary of the organization. Members of the governing committee were reelected as follows: O. P. Ruffing, Travelers, National Bureau of Casualty Underwriters; E. J. Brookhart, Celina Mutual, National Assn. of Automotive Mutual Insurance Companies; H. L. Andrews, Buckeye Union, Underwriters Service Assn.; C. H. Sanders, American Automobile, non-affiliated stock insurers; J. C. Haaf, Ohio Grange, non-affiliated mutual insurers.

The organization expects to have its new plan in operation by the first of the year. It will move its offices to Columbus from Hamilton as soon as a suitable location can be found.

# FLEXIBILITY is the keynote

## of Provident's new NON-CANCELLABLE A & H COVERAGES

No fewer than THREE separate and distinct basic policies are issued with various waiting periods and a wide range of OPTIONAL EXTRA BENEFITS.

For example:

**The Guaranteed Monthly Income Policy** can be written to provide: LIFETIME ACCIDENT Indemnity from the first day with ONE HUNDRED MONTHS SICKNESS Indemnity from the thirty-first day . . . plus \$4.00 to \$7.00 per day for Hospital Room and Board . . . and \$150.00 or \$250.00 Surgical Fee Schedule. Partial Disability for either accident or sickness—and house confinement is **not** required at any time. Twelve months RECURRENT DISABILITY clause.



New PROPOSAL-APPLICATION

SHORTER TERM policies are written NON-MEDICALLY—all are NON-PRORATING—and all may be written with FIRST DAY to LIFETIME accident benefits.

AGENCY INQUIRIES INVITED—BROKERAGE BUSINESS SOLICITED  
To write "NON-CAN" at its best—write us TODAY!



# PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

CHATTANOOGA

protecting provident people since 1887

## ACCIDENT AND HEALTH

### H. & A. Conference Committees Named

Three administrative and 20 "working" committees of H. & A. Underwriters Conference have been appointed by V. J. Skutt, Mutual Benefit H. & A., president of the conference.

In line with action taken at the annual meeting, President Skutt appointed an expanded group committee, which now takes in all forms of group insurance. P. W. Watt, Washington National, is general chairman and there are four vice-chairmen: Industrial group, J. E. Hellgren, Lumbermen's Mutual Casualty; association group, George L. McDowell, Commercial Casualty; blanket, F. M. Walters, General Accident, and franchise, H. C. Pogue, Business Men's Assurance. Bill Howland, conference statistician, is committee secretary. The first annual meeting of the group committee has been set for Nov. 18-19 at the La Salle Hotel, Chicago.

The advisory committee includes S. C. Carroll, Mutual Benefit H. & A., L. D. Cavanaugh, Federal Life, James

E. Powell, Provident L. & A., Paul Clement, Minnesota Commercial Men's, John M. Powell, Loyal Protective Life, W. G. Alpaugh, Inter-Ocean, O. F. Davis, Illinois Bankers Life, H. P. Skoglund, North American L. & C.

Chairmen of other committees are: Planning, E. J. Faulkner, Woodmen Accident; finance, L. D. Cavanaugh; agency management, J. E. Schofield, North American L. & C.; blanks, R. R. Haffner, B. M. A.; business standards, C. O. Pauley, Great Northern Life; convention, G. T. Delahunty, Alliance Life; education, C. F. Lee, Columbian National Life; hospital, I. A. Weaver, Security Casualty; legal, C. L. Peterson, Ohio State Life; medical insurance, W. deV. Washburn, American Health; membership, Stanford Miller, Employers Reinsurance; memorials, A. W. Franklin, United Commercial Travelers; non-cancellable, H. R. Lawson, Massachusetts Protective; public relations, F. S. Vanderbrouk, Monarch Life; social insurance, R. J. Wetterlund, Washington National; standard provisions, Jarvis Farley, Massachusetts Indemnity; statistical, J. H. Miller, Monarch Life; taxation, John Jay Temple,

American Hospital; underwriting, D. B. Alport, Business Men's Assurance; disability insurance joint committee, Fred Grainger, Federal L. & C.

The legislative committee includes one member for each state.

### Twin City Group Is Subdivided

A. & H. men at Minneapolis and St. Paul whose interests have been served by a single trade group, Twin City A. & H. Underwriters Assn., will now have two separate city associations. The decision was made at the annual meeting.

Officers of the new Minneapolis A. & H. Underwriters Assn. are: President, A. A. Altermatt, Monarch Life; first vice-president, William H. Legler, Massachusetts Protective; second vice-president, Curt Johnson, North American Life & Casualty; secretary, Free Bayard, Monarch Life, and executive board chairman, M. C. Laughman, North American Life & Casualty.

Officers of the new St. Paul association are:

President Peter J. Devine, Occidental Life; first vice-president, William Wehrle, St. Paul Hospital & Casualty; secretary, Bernard J. Cashman, Monarch Life, and executive board chairman, George A. Michel, Mutual Benefit H. & A.

### National Assn. Officers Start on Active Schedule

Officers of National Assn. of A. & H. Underwriters have started an intensive fall schedule.

President E. F. Gregory, G. H. Knight, chairman of the board, and D. S. Walker, second vice-president, attended the Disability Insurance Joint Committee meeting at Chicago, where representatives of the National association and H. & A. Underwriters Conference discussed plans for mutual cooperation on many spheres of activity.

O. J. Breidenbaugh, executive secretary, spoke at a sales seminar at Port Elgin, Ont., conducted under the leadership of Earl Putnam, president of Canada Health & Accident for the leading producers of that company.

He will address the sales congress of the Philadelphia association Oct. 1 on "The Sales Power in Public Relations."

Mr. Breidenbaugh will visit the Kansas City association Oct. 8, and on Oct. 9 will address an agents' meeting of Mutual Benefit H. & A. at Omaha.

President E. F. Gregory and Wesley J. A. Jones, assistant executive secretary, will lead off on a trip through the northwest and west at a meeting with the Spokane association Oct. 6. Later they will visit associations at Seattle, Vancouver, B. C., Portland, San Francisco and Los Angeles. A number of speaking engagements have been scheduled for them in these and nearby cities.

### Miss Haskell Vice-Chairman

Josephine Meskill, Loyalty group, president of New Jersey Women's A. & H. Assn. and national chairman of the office women's division of National Assn. of A. & H. Underwriters Assn., has appointed Margaret Haskell of Chicago vice-chairman of this newly formed office women's division.

Miss Haskell, who has been with the western department of the Loyalty group for several years, is responsible for the formation of Chicago Women's A. & H. Assn. She served as its first president and is now a member of its executive committee.

### United of Chicago Favorably Examined

United of Chicago at Dec. 31, 1947, had assets of \$8,784,565, capital \$1 million and net surplus \$2,781,767, according to the report of an examination which was conducted by Illinois, Maryland, Kentucky and Kansas. The examiners state that the cash position is well maintained and the assets consist of a diversification of liquid securities. The premium writings have considerably increased in volume. Policy obligations have been discharged in accordance with policy terms.

The total income in 1947 was \$12,691,135 of which \$2,541,851 was life insurance premium income and \$9,881,667 casualty premium income.

### Dopke New President of Wisconsin A. & H. Assn.

MADISON, WIS.—Walter A. Dopke, North American Life & Casualty, La Crosse, was elected president at the annual meeting here of Wisconsin Assn. of A. & H. Underwriters. He succeeds Alfred K. Perego, Wisconsin National Life, Milwaukee, who headed the state group during its first year and becomes chairman.

New regional vice-presidents are Eugene G. Malone, Time, Milwaukee; Carl Brandt, First National Casualty, Fond du Lac; Francis W. Quade, Massachusetts Protective, Wausau, and Herbert A. Quist, Business Men's Assurance, Green Bay.

Leo E. Packard, Loyal Protective, Milwaukee, was reelected secretary, and Bruce M. Stahl, Great Northern Life, Madison, treasurer.

The business meeting followed a dinner and an afternoon of golf at Nakoma Country Club, with the Madison association as host. Other locals participated.

## IT SERVED SIR GALAHAD

Do your clients have modern insurance protection in casualty and fidelity policies . . . or is it outmoded like old armor?

You can gain lasting good will by checking up and analyzing your clients' needs. Then have them convert from outmoded policies into broad coverages which include



## COMPREHENSIVE

- General Liability
- Automobile Liability
- Personal Liability
- Storekeepers Liability
- Farmers Personal Liability
- D. D. D. including Blanket Dishonesty and Broad Form Money and Securities

When you analyze your client's protection needs and point out how he benefits by conversion to comprehensive coverages, his appreciation of your services can pay you extra profits for years to come.



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R. E. McGINNIS, President

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A simplified system for the preparation of Bond submissions—organizes the entire business for the Agent.

Application supply folders with indexed, manual-colored tabs carrying complete instructions for submission of risks; in addition, copyrighted factual information of an educational nature, in condensed form.

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ing were Milwaukee, Fond du Lac and La Crosse. The coming year special efforts will be made to secure formation of permanent local groups at Green Bay, Oshkosh, Wausau, Eau Claire, Racine and Kenosha. Preliminary work has started in these cities through the efforts of President Perego and other state officers, and President-elect Dopke has set these six as the minimum for the coming year. Members of the Leading Producers Round Table and those awarded certificates for completing the A.H. sales course were honored at the meeting.

### Tell Features of Code of Mail Order Group

Although the code of ethics that has been adopted by Assn. of Insurance Advertisers, which is the organization of a number of mail order insurers, has not been publicized, some of the important rules have become generally known. For one thing, it is understood, these companies would agree to refrain from using the term "no physical examination required." Also they would refrain from advertising benefits "up to" a certain amount wherein the maximum benefits that could be received are set forth. Also they would cease to box off in a prominent way, such things as triple indemnity and other features indicating that very large benefits are to be had whereas such benefits are payable only under very unusual circumstances.

### San Antonio Congress Set

Addressing San Antonio Assn. of A. & H. Underwriters, Henry Coutret, south Texas general agent of Ohio National Life, expressed the opinion that life companies should provide protection for the individual against all his personal hazards as to need for hospitalization, accident and sickness. He urged that agents study the needs of prospect and fit the insurance offered to cover these needs.

President O. D. Harlan of the state association announced that the San Antonio A. & H. sales congress will be held Dec. 8, beginning with a luncheon and continuing through the afternoon. He called attention to the importance of contacting legislators so that political insurance schemes may be guarded against.

Keith Lyons suggested in answer to the pleas of President Harlan for increase in membership that a managers and general agents group of 10 men be formed to invite six each as guests at the luncheons, with the association paying one-fifth of the cost. It was voted to adopt this plan.

### Butler Has Blue Cross Plan

CHARLESTON, W. VA.—A three-point program designed to improve the operation of Blue Cross hospital and medical service plans was laid before plan managers and hospital administrators by Commissioner Butler. He proposed that there be a greater representation of lay personnel on both the hospital and medical service boards. He suggested that smaller plans be merged with larger systems to achieve economy in operation and general efficiency.

He further recommended the adoption of a state-wide contract, with standardized language and with definite insurance controls incorporated in the policy.

### New Lloyds Polio Policy

A Lloyds polio policy is now available it has been announced by Harold J. Toso, vice-president and general manager of Newhouse & Sayre of California.

The policy covers all doctor and hospital bills, iron lungs, special nurses, ambulance fees, distributorship and other charges. The limit is \$5,000 in each individual name, payable as long as

treatment is necessary or until the principal sum is exhausted. The three-year minimum premium is \$22.50.

### Liberalizes Non-Can Forms

Union Mutual Life has added a lifetime accident rider and increased hospital benefits and retention limits on its non-cancellable policies. The rider may be added to new and existing contracts. Hospital benefits may now be written up to \$8 per day. New maximum retention limits are \$275 monthly on the short term and \$250 on the long term contract.

### Utts Niagara Falls G. A.

Norman L. Utts of Niagara Falls has been appointed general agent for western New York of Massachusetts Protective and Paul Revere Life. He has been in life insurance in Niagara Falls for 15 years and for three years has been assistant general agent of John Hancock in charge of the Niagara Falls office.

### Foy Named at Fremont

F. J. Foy, Fremont, Neb., has been named district manager for Mutual Benefit H. & A., United Benefit Life and United Benefit Fire. He succeeded his father, the late Frank A. Foy, as representative of the companies there a year ago.

## COMPANIES

### General Re. Midyear Figures

The assets of General Reinsurance at June 30 amounted to \$49,289,782 and surplus to policyholders was \$15,520,593, this being a decline of \$1,188,221 from Dec. 31.

Net premiums written during the first six months aggregated \$9,747,721 which compares with \$7,157,151 for the parallel period in 1947.

The companion North Star Reinsurance had assets \$18,704,524, surplus to policyholders \$4,329,277, a decline of \$246,121. Six months premiums were \$7,293,599 as compared with \$4,210,580 last year.

### Offers Excess Cab Cover

Eastern Ins. Co., which has been licensed in Delaware, will specialize in the writing of excess insurance on taxicabs. The principal office is at 206 West 10th street, Wilmington. Capital is \$100,000 and net surplus \$50,000. President is Morris Frogel; vice-president is Frank Ackerman; secretary, Nathan Ehrlich and treasurer, Murray Hurwitz.

### Offers Preferred Stock

United Casualty of Cedar Rapids, Ia., is offering 10,000 shares of convertible cumulative preferred stock at \$25 a share in connection with a program to increase capital to \$300,000 and net surplus to \$200,000. The par value of the stock is \$10 and hence, of the sale price, \$15 will be credited to surplus. The annual dividend rate of \$1.40 is cumulative and the stock is callable at \$26 per share. The stock at any time prior to redemption may be exchanged into common stock on a share for share basis.

Presently the capital of United Casualty is \$200,000 and net surplus is \$266,216.

The management, in a brochure, expresses the opinion that it can handle profitably twice its present volume without increasing the expense proportionately.

### Boost Tri-State Capital

Tri-State Casualty of Tulsa has increased its capital to \$375,000.

Guarantee of Los Angeles has been licensed in Texas, and has named Barney Vanston & Co. of Dallas, as general agents.



Your clients may "take a fall" when

## HALF-COVERED

against power-equipment failure

A client of yours, with insurance coverage on only his boilers, is walking a tightrope over half a net. He may get there—and he may not! He can sustain a great loss—in property damage and business interruptions—through failure of an engine, a compressor or an electrical unit. Too many owners of medium size factories, hotels, laundries and dairies forget this in buying insurance.

Here is an opportunity to widen the service and growth of your

agency. Recommend complete boiler and machinery insurance with adequate Use and Occupancy coverage—plus inspections by specialists.

The Special Agent of Hartford Steam Boiler has the technical knowledge of boiler and machinery coverage to aid you in selling and servicing this type of risk. Why not check over a list of your clients now and call him in for his suggestions.



The Hartford Steam Boiler Inspection and Insurance Company

HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

**N.A.L.&C. Enters Okla.**

North American Life & Casualty has been admitted to Oklahoma. William C. Stinson, Jr., of Oklahoma City is general agent.

**WANT ADS****WANTED — FIELD MAN FOR OHIO**

Here is a wonderful opportunity for an automobile and general liability field man to become associated with Ohio's fastest-growing insurance company. Salary commensurate with ability and experience. A chance to grow with our company. Travel only in Ohio. Please give age, education and experience. Address Box R-41, c/o National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

**THE MILWAUKEE GENERAL AGENCY** of a large Casualty and Surety Company has an opening in its bonding-burglary department for a dictaphone operator-secretary, with ability to assume initiative and responsibility as underwriting assistant. Good opportunity for a girl interested in an insurance career. Please give full information as to training and/or experience and salary desired. Address R-64, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

**WORKMEN'S COMPENSATION PRODUCER**

Excellent opportunity, especially if familiar with retrospective or participating plans. Texas territory only.

**TEXAS INDEMNITY INSURANCE CO.**  
P.O. BOX 1259  
Galveston, Texas

Is there a company that believes in the future of AVIATION INSURANCE?

**AVAILABLE**  
A man who has the qualifications for the successful operation of an aviation department, 17 years Company and Agency background as underwriter, producer, claims supervisor, safety engineer, and branch manager. 18 years association in aviation. 7 years specializing in aviation insurance. Excellent references as to character, reputation and successful business background. All replies treated with strictest confidence. Address R-53, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

**AVAILABLE**  
Man, 42, aggressive, intelligent, well educated, thoroughly conversant all agents' problems. 18 years experience all lines fire, casualty and bonds in local and general agency field in Southeast, now working in far West, wants position as casualty and/or fire field man in Southeast. Best of references. Address R-65, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Liability claim man wanted by large Eastern Casualty Company for service office in Pikeville, Ky. Salary and company car supplied. Good opportunity for advancement to larger office. Address R-55, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

**STENOGRAPHER**  
with casualty insurance experience preferred. Interesting, permanent position for suitable person with Milwaukee agency. Congenial surroundings. Write, giving qualifications, age, salary desired to Box R-62, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill. Replies kept confidential.

**AVAILABLE**  
Claim Adjuster and Branch Office Manager. Heavy casualty experience, also some fire and allied lines. LL degree. Can supervise branch offices and handle tough claims. Position must offer good future. Write Box R-70, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

**ATTORNEY WITH SURETY CLAIMS EXPERIENCE**

Wanted by large casualty insurance company. Excellent salary. Outline personal, educational and work history. All replies confidential. Address R-63, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

**Security Mutual in "Non-Can" Field**

Security Mutual Life's "new look" as described at the Binghamton company's convention at Chateau Frontenac, Quebec, deals chiefly with accident and health insurance.

The company announced that it is entering the non-cancellable disability field and has generally revised its accident and health policies, resulting in lower rates in some instances and increased benefits in others.

It will offer two "non-can" policies, one a two-year coverage policy for single disabilities with five-year aggregate disability income and the other a five-year single disability coverage allowing 10 years in aggregate. These policies will be guaranteed renewable to age 60, and are participating. Dividends probably will be payable at the end of the second policy year.

The non-cancellable forms were introduced by Vice-president H. B. Wickes, who said the new policies are designed to cover long disabilities and outlined the tremendous field for this business.

The second full morning session was given over entirely to a panel discussion of "Our New Accident and Health Contracts," in which President F. D. Russell, Mr. Carson, Edward A. Hauschild, Franklin D. Scudder, Mr. Fissell and Mr. Wickes participated.

Two additional disability policies, the "security disability" and "essential disability," were announced. The latter is written only in conjunction with life insurance.

Besides revisions in rates and certain coverages, it was announced that all accident and health policies now will include the accidental bodily injury clause; no prorating of benefits following change to a more hazardous occupation; a 31-day grace period for payment of all premiums except the first; policies made incontestable as to statements in the application after they are in force three years; disability can begin as late as 30 days following accident; company permitted to cancel only at the end of the premium-paying period instead of at any time during the year.

Provisions are made for optional surgical coverage up to \$200, hospital benefits up to \$10 a day, nurse service at \$5 a day, accidental death and accident medical expense.

In hospital insurance, both for individuals and for families, six hours hospital residence will be acceptable, with "out-patient" treatment up to three times the daily hospital benefit.

**Harvey Receives Williams Safety Memorial Medal**

Julien H. Harvey, manager of the accident prevention department of Assn. of Casualty & Surety Companies, and long recognized as a pioneer safety specialist, received the Arthur Williams memorial medal for "conspicuous service in the conservation of human life," at the annual dinner of the American Museum of Safety in New York. The award is in recognition of achievement in the accident prevention field.

In accepting the presentation, Mr. Harvey cited the strides made during his more than 30 years' association with the organized safety movement. The plaque was presented by Guy C. Hecker, a member of the awards committee.

**Second Attack on Cal. Law**

LOS ANGELES—California's new rate regulatory law was attacked for the second time in superior court here in a suit filed by James B. Morris, a truck driver, who alleges the law is unconstitutional. A previous suit was filed by Pedro Escabedo, a gardener.

Morris was notified by the state motor vehicle department to post \$2,550 with the department to cover possible damages arising from a traffic accident in which he was involved. Superior Judge Bishop has set Sept. 23 for a hearing

and issued an order restraining the department from revoking Norris' license.

**Lloyds Loses Products Suit**

Federal Judge Stone at Wausau, Wis., has handed down a decision in favor of Employers Mutual Liability in its suit against London Lloyds in connection with reinsurance of "products liability" policies for all net losses over \$2,500. The court awarded Employers Mutual a summary judgment for \$26,201 which it had paid in an eastern case and for which it sued Lloyds.

Employers Mutual had insured Chesapeake Camp Corp., paper manufacturers of Franklin, Va. On May 13, 1943, a workman at New York was killed while unloading a boxcar shipped by Chesapeake when a roll of paper fell on him as he opened the boxcar door. His estate collected \$23,374 in compensation. Lloyds refused reimbursement to Employers Mutual on the construction placed on the word "handle."

Under the products liability policies the insurer assumed the risk of liability arising out of the possession, employment, handling or use of any merchandise or products manufactured, sold or handled by the insured. Lloyds contended the word "handle" in the policy means "trade in" or "dealt in" while Employers Mutual held the word, as defined by Webster, meant "to touch, to feel with the hand, to hold, etc."

Judge Stone declared "the language as used in that provision was clear and unambiguous. To construe the contract so as to exclude the first use of the word 'handling' in this provision and adopt the definition on 'handle' as 'to trade in' or 'deal in' as urged by the defendant, would be a technical interpretation, and not its plain, ordinary and usual meaning."

**Review Insurance Problems on Debtors' Property**

A discussion of the insurance problems of the adjustment bureaus of credit men's associations who are acting as assignees for property and premises in bankruptcy and other assignment cases was one of the features of the conference of secretary-managers of 125 credit associations in St. Louis Sept. 20-22. The associations represented are affiliated with the National Assn. of Credit Men.

One question was, "Is insurance necessary in all type of adjustment cases?" The lines touched on included fire, extended coverage, use and occupancy, burglary (inside and outside), fidelity, plate glass, public and automobile liability. Other topics were the importance of notice to insurers or agents; vacancy and unoccupancy clauses; elevator liability; the need of concurrent policies; landlord's liability, and cash surrender values.

E. H. Luther, vice-president of National Surety at St. Louis, who is also president of the St. Louis Assn. of Credit Men, and Ralph E. Brown, Marsh & McLennan, chairman of the insurance committee of the St. Louis Assn. of Credit Men, conducted the forum.

Another subject treated was, "Is the cash surrender value of the debtor's life insurance an asset of the business?" led by H. M. Oliver of the Pittsburgh Assn. of Credit Men.

**Wells Again Head of Minn. Federation**

MINNEAPOLIS—George W. Wells, Jr., vice-president Northwestern National Life, was reelected president of Insurance Federation of Minnesota at the annual meeting here Wednesday.

Henry Guthunz, president Anchor Casualty, St. Paul, was elected vice-president, the other vice-presidents being reelected. They are: Paul Clement, secretary Minnesota Commercial Men's; J. W. Fischbach, general counsel Minnesota Mutual Life; C. W. Hall, president Northwestern Fire & Marine; J. E. Kidd, vice-president Mutual Implement & Hardware, Owatonna, and H. A. Levant, Levant agency, Eveleth.

Arthur Devine, superintendent Prudential at St. Paul, and J. D. MacArthur, president Duluth Underwriters Assn., were added to the board, and Mr. Devine also went on the executive committee.

**Added to Legislative Committee**

New members of the legislative committee are: Mr. MacArthur; F. S. Preston, White-Preston agency, Minneapolis; R. E. Shay, Bankers Life of Iowa, Minneapolis; G. S. Wilson, president Minnesota Assn. of Mutual Underwriters, Minneapolis, and E. H. Keating, Minneapolis. Clyde B. Helm was reelected secretary-treasurer, and Roy Nieuhouser, St. Paul, was reelected chairman of the finance committee.

In his annual report Secretary Helm said the federation has a membership of 750, representing well over 8,000 Minnesota insurance people.

Congressman Walter H. Judd of Minneapolis spoke at a luncheon.

**Hear Cal. Assigned Risk Appeal**

LOS ANGELES—Members of the governing board of the California assigned risk plan at a meeting here heard the first appeal by two motorists from the plan's ruling that they were not in good faith entitled to be protected under the plan.

Members of the governing board at the hearing were N. P. Goeltzer, San Francisco; Maurice E. Pugh, Farmers Insurance Exchange, and George T. Conklin, Pacific Indemnity, Los Angeles.

No decision was announced. The transcript of the hearing here will be reviewed by the full board at San Francisco before ruling on the appeal.

**EXECUTIVE-INSTRUCTOR WANTED****For Casualty - Surety School**

Large Eastern multiple-line insurance company has an excellent opening for a young man (28-40), to assist in operation of flourishing school and within a few months to assume full charge. Duties largely supervisory. Most of actual classroom instruction is done by Home Office specialists. Requirements: fair basic knowledge of casualty lines and preferably some acquaintance with surety lines; good personality and ability to express self well, orally and in writing. Write Box R-63, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Constitutionality of Minn. Premium Surcharge Attacked

ST. PAUL—Action has been started in state court here to test the constitutionality of the 2% surcharge on fire premiums. A summons and complaint have been filed on Commissioner Harris, who has turned the matter over to the attorney general's office for defense.

The test case is being instituted by Kenneth Hassler, a St. Paul assured. Since the surcharge was imposed a dozen or more years ago hundreds of thousands of dollars have been collected by agents from their assured for the benefit of firemen's relief associations. In the last year alone this surcharge yielded \$150,258, Commissioner Harris stated.

It has long been felt among insurance men that the surcharge is illegal and there has been talk of testing it in court but this is the first time such action has been taken. The surcharge has been something of a nuisance to agents who have had to collect it with the premium.

### Milwaukee Board Selects Candidates for Election

MILWAUKEE—Candidates nominated by Milwaukee Board for the annual election to be held in October are the following: Frederick Kasten of Blatz-Kasten & Co., president; Rudolph Laub of Laub agency, vice-president; William B. Calhoun, Calhoun agency, secretary, and George Y. Wilkinson of Myers-Wilkinson agency, treasurer. In addition to the usual three directors to be elected for three-year terms, an additional director will be elected for one, two and three years to comply with the recently amended articles of incorporation increasing the total number of directors from nine to 12. Nominated were Ralph L. Martin, Harold C. Watson, A. L. Fischer, A. S. Walsh, Don Gottschalk and A. A. Veitenhaus.

### Storm Adjuster Speaks

New officers of the Hutchinson (Kan.) Insurance Board took over at the Sept. 14 meeting, Paul Lewellyn succeeding Joe McGuire as president. Willard Hankins of the Bressler agency is the new secretary. Guests were eight adjusters of the Western Adjustment storm staff who have been in Hutchinson since the widespread storm of July 14. Jerry Stafford, crew chief, addressed the board on how local agents can cooperate with the adjusters in handling major storm losses. He said the staff hopes to clean up the estimated 5,000 claims by early October. Arthur H. Lewis, Wade Patton & Co. was named chairman of the board's fire prevention committee. He also heads the Chamber of Commerce committee.

### County Assn. Elects Officers

PORTAGE, WIS.—Meeting here, Columbia County Assn. of Insurance Agents elected the following new officers: Merton Tolfson, Wisconsin Dells, president; Alfred Holtz, Columbus, vice-president; L. H. Albertson, Wisconsin Dells, secretary, and Urban Eulberg, Portage, treasurer. The organization voted for affiliation with Wisconsin and National associations of insurance agents.

### Award to Station KFH

Wichita insurance men, headed by Mayor Robert E. Israel of the Israel & Son agency, represented National Board in the presentation of its gold medal award to radio station KFH there. Accepting the award for KFH was George

Gow, newscaster, whose "on the spot safety broadcasts and nightly reminders of home precautions 'to check your home against fire before you go to bed'" gained the recognition for the station. Also participating were Ray Mann, Dulaney, Johnston & Priest, past president of Wichita Assn. of Insurance Agents, representing its fire prevention committee; Robert E. Israel, Jr., president Wichita association; Harry B. Brown, Northwestern National state agent, president of Kansas Fire Prevention Assn.; Ewing B. Fergus, Kansas Inspection Bureau.

### H. B. Leedom Retires

Hampton B. Leedom, for 42 years associated with the Leedom, O'Connor & Noyes Co. agency, Milwaukee, has announced his retirement and has disposed of his interests in the company to his former associates. Haskell Noyes will continue as president, J. L. Ashton as secretary, and A. J. O'Connor, vice-president, has taken over the additional duties of treasurer of the company. Mr. Leedom plans to go south where the climate will benefit his health.

### County Insurance Increased

ELKHORN, WIS.—Walworth county board of supervisors has approved the recent appraisal of the court house, county jail and other county-owned buildings and contents to a new figure approximating \$2 million. Property insurance of \$1,834,000 on an 80% valuation was approved and an appropriation of \$1,800 was voted to cover the increase in cost.

### Push Fire Prevention Week

Wichita insurance groups are cooperating with the Chamber of Commerce in sponsoring Fire Prevention Week activities. The Dulaney, Johnston & Priest agency is sponsoring an inter-school poster contest in four divisions. Wheeler, Kelly, Hagney sponsors an essay contest among junior high schools. Central States Fire sponsors a radio fire prevention spot announcement writing contest. A number of agents are serving on the Chamber of Commerce committee.

### Eiche Lincoln President

LINCOLN, NEB.—Fred Eiche has been elected president of Lincoln Assn. of Insurance Agents. He succeeds George Smith. Herb Walt is vice-president and W. H. Howey, secretary. The group discussed plans for the convention of the Nebraska association here Nov. 4-5.

Springfield (Ill.) Assn. of Insurance Women heard a talk on "After Work—What Then?" by Mildred F. Stone, agency field secretary of Mutual Benefit Life at the home office and director of policyholders services.

Miss Mildred Winsett of Levi Bros. has been elected president of Insurance Women of Evansville. Mrs. Marjorie Bammer is vice-president; Miss Jeanne Gatchel, secretary, and Miss Cordella Stewart, treasurer. Mrs. Sybil Thornton is retiring president.

### N. J. Rating Group Elects

At the annual meeting of its company members, Fire Insurance Rating Organization of New Jersey elected Continental, Globe & Rutgers, American, and North British to the governing committee to replace companies whose terms expired. Several changes in the constitution have been proposed, but these were referred back to committee for further changes. There were several reports, including that of Leon A. Watson, general manager.

## G.A.B. and Company Men Confer in Ark.

LITTLE ROCK—The first of planned periodic conferences between managers of General Adjustment Bureau offices in Arkansas and general, state and special agents of stock fire companies to promote uniform policy and coverage interpretations between underwriting and loss adjustment sides of the fire business was held here Friday and Saturday. This "underwriting-loss-adjustment" conference was conceived by the bureau's southwestern department in cooperation with the loss committee of the Arkansas Fieldmen's Club.

James F. Miazza, assistant general manager of the department, on behalf of adjusters told the conference there would be general discussion of coverages under certain Arkansas forms and an attempt to get the viewpoint of fieldmen so mutual problems may be understood.

The conference opened with a meeting between the field club loss committee and adjusters. L. V. Martin, Little Rock, general agent and chairman of the field club committee, drew upon his experiences as adjuster and general agent to illustrate need for coordination of underwriting and loss adjustment interpretations in the field.

### Seek Better Coordination

"Insurance companies have progressed a long way in their home offices in an effort to coordinate their loss departments with underwriting departments as indicated by the fact that many general adjusters now occupy high official capacities with their companies—in many instances as vice-presidents," he said. "But there has not been any evidence of a concerted move on the part of the industry to extend this coordination into the field where the contact with the public actually takes place. We hope to start such a movement in Arkansas."

The G.A.B. southwestern department operates in Arkansas, Louisiana, Texas and Oklahoma, each of which is under a separate underwriting jurisdiction, Louisiana being under S.E.U.A., Oklahoma under W.U.A., and Arkansas and Texas independent, with their own governing committees of eastern company officials. Adjusting losses in one state is different from the other states from an interpretative standpoint, and the southwestern department at Dallas cannot hope to be posted in underwriting practices and procedures adopted in each of the four states under its jurisdiction, it was stated.

"It seems to us," Mr. Martin said, expressing the field club committee's views, "that underwriters in the various states will have to assume the responsibility, together with the cooperation of the G.A.B. adjusters, of coordinating these matters."

### Other Committee Members

Other members of the Arkansas field club loss committee are I. C. Sparks, state agent, St. Paul group, and Clyde B. Marshall, special agent Phoenix of Connecticut group.

At the Friday afternoon meeting, an open session was attended by 15 to 20 fieldmen who were privileged to raise matters of loss adjustment and interpretation before the branch managers and field club committee.

Assisting Mr. Miazza in operation of the conference from G.A.B. were G. W. Jordon, supervisor, Dallas, and R. B. Bentley, general adjuster, Little Rock.

The southwestern department has 58 offices, 304 adjusters and 18 supervisory department heads in the four underwriting jurisdictions, Mr. Miazza stated. In the first seven months, the department

has closed 97,000 claims totaling \$32 million, an increase of about 25% over the similar period last year.

## Willard Crotty Elected Dallas Agents' President

DALLAS—Willard Crotty, head of the insurance department of J. M. Lindsley & Co., has been elected president of Dallas Insurance Agents Assn. C. M. Patrick and J. Frank Holt are vice-presidents; Porter Ellis, secretary-treasurer, and Alfonso Johnson, manager.

Directors, in addition to the officers, include Hal A. Gullledge, immediate past president, Carl Hunt, Charles Eversole, A. E. W. Barrett, Fred Mallinson, J. N. Westerlage, Floyd Garrett and Roy Thrash.

President Crotty will represent the Dallas agents at the N.A.I.A. convention at Chicago Oct. 3-6 and will be on the program to tell of the operation of the local board placement in Dallas which handles the insurance for the various political units in Dallas county.

He was one of the first insurance men in Texas to receive the C.P.C.U. designation, also has an LL.B. degree and is a member of the Texas bar. He is the instructor in Dallas College, evening school of Southern Methodist University, of classes in insurance principles and practices, preparatory work for the C.P.C.U. examinations.

## Regional Meeting Series Arranged in Virginia

RICHMOND—Arrangements have been completed for a series of regional meetings sponsored by Virginia Assn. of Insurance Agents. Theo W. Kelley, Richmond, past president and chairman of the educational committee, is in charge of plans for the meetings. The schedule includes: Alexandria, Oct. 25; Charlottesville, Oct. 26; Lynchburg, Oct. 27; Roanoke and Pulaski, Oct. 28; Bristol, Oct. 29.

Speakers will be Warren F. Curtis, Richmond, president Virginia association; Roger Clarke, Fredericksburg, state national director; E. H. Luecke, agency department America Fore; Jack Baldwin, N.A.I.A. assistant secretary; Frank Kinzer, Covington, vice-president and board chairman Virginia association, and Mr. Kelley.

The N.A.I.A. film, "Your Best Policy," will be exhibited. Presidents of local associations are cooperating in perfecting plans for the meetings. No regional meetings were held last year. Instead, the state association sponsored a short course insurance school but is returning to the regional meetings this year.

## Pruitt Chest Leader

Frank O. Pruitt, Miami agent, will head the fire group division in the 1949 Dade County community chest campaign. Pruitt has been mayor of Miami Shores and chairman of the Dade County budget commission. He was a second lieutenant of infantry in World War I and a major and lieutenant colonel in World War II with the air force technical training command.

## Okla. Regional at Woodward

Oklahoma Assn. of Insurance Agents held its first fall regional meeting at Woodward. The 50 agents and field men who attended picked up 16 new members, and collected dues from 44 older members en route to the meeting. Vice-president Dave R. McKown of Oklahoma City presided at the executive

committee meeting held in the morning, and President John H. Mugler of Perry at the membership meeting in the afternoon. Bert Ludlow of Travelers discussed farmers' comprehensive liability, and Herbert S. Anderson, state agent of Phoenix of Hartford, spoke on "Business Interruption Insurance." The N.A.I.A. "Your Best Policy," and the Texas City film were shown.

## Fitzhugh First to Take City Insurance Out of Politics

T. Champe Fitzhugh, Waco, president of Texas Assn. of Insurance Agents, was probably the first man to start taking the insurance political units out of politics and to handle it through what has since become known as the local board placement plan, according to Drex G. Foreman, executive secretary of the Texas association, who has done considerable research on the subject.

Mr. Fitzhugh was trained as an engineer and during the first war served as a test pilot. Joining his father's local agency in Waco after his discharge from army service in 1919, he found the "spoils system" in effect in the handling of his home town's insurance and he immediately set about to remedy the matter. He volunteered to handle and service the city of Waco insurance and distribute the earned commissions among all the local agents belonging to the local board. For nearly 15 years he handled Waco's insurance as efficiently as he handled that of his largest client. Then he turned it over to Secretary Paul M. Cunyus of the Insurance Exchange of Waco, who is paid a small fee for the servicing of the business but the earned commissions are still divided among all the members of the exchange.

## Change in Wind, Hail Forms Opposed at San Antonio

SAN ANTONIO—An animated discussion of the advisability of changing the mandatory clause in windstorm and hail policies to a voluntary clause featured the Sept. 16 meeting of San Antonio Insurance Exchange. The consensus was that any change would create confusion and that two years experience is not enough to determine whether there should be a modification of the \$100 deductible. The matter of the problem presented by county mutuals was mentioned, and it was developed that a study of that problem is being made.

The effectiveness of the different types of fire extinguishers was discussed by T. H. Guess, who served as fire marshal three years in the navy. Arthur Randall, chairman of the committee on fire prevention, asked for volunteers to make talks in the public schools during Fire Prevention Week.

Secretary F. F. Ludolph announced that the Insurance Women of San Antonio are sponsoring an evening course in insurance and have asked for the assistance of members of the exchange in securing competent instructors.

## Atlanta School Loss Heavy

ATLANTA—The E. Rivers grammar school burned here, entailing a loss of \$250,000, according to the authorities. The structure was of stone and was completely gutted. All equipment, valued at \$25,000 was destroyed. Total insurance was \$150,000.

## Wenborn to National Union

John C. Wenborn has been appointed special agent by National Union covering the San Francisco east bay and north coast territories. He formerly was with Pacific Fire Rating Bureau.

John M. Mooney of New York City, resident engineer in the eastern area for Hendricks Engineering Corp. of Chicago, is in Holy Name hospital at Tea Neck, N. J., where he underwent a tumor operation.

## COAST

### Credit Bureau Men Are Added to Cal. Program

George Johnson, chairman of the general and special sessions committees for the coming annual convention of California Assn. of Insurance Agents, announced O. J. Brown and G. C. Welden, who operate Insurance Credit Bureau of San Francisco, will present a joint talk at the Oct. 27 session on "Greater Production Through Improved Collections." The bureau is a collection agency engaged solely in collection of earned premiums for the companies. Both men long have been in the field and previously were local agents and company men.

Other subjects added to the program include a talk on agency cost accounting by George Murch, San Diego; handling claims, B. J. Haggerty, Marine Office, letter writing, by an instructor from University of California, casualty coverages, J. D. Simpson, casualty manager Royal-Eagle-Globe Indemnity; business interruption insurance, R. B. Masters, Security of New Haven, and bond coverages, A. L. Blackburn, Hartford Accident. Each discussion will be followed by sales ideas on how to promote new business.

There also will be a breakfast session for presidents and secretaries of local associations where association procedures and political subdivision insurance will be discussed—the latter by a group from the Oakland association, which established the first political insurance system several years ago.

### Downey Before Brokers

Insurance Brokers Exchange of California, which is developing an intensive broad program of public relations, is starting a series of luncheon meetings Sept. 30. The first speaker will be Commissioner Downey of California. Company men have been invited to attend. Jack R. Maloney, chief assistant commissioner, will be a guest.

The exchange also has contacted many civic and business organizations offering speakers on insurance subjects. John Derrough, secretary, reports replies are being received almost daily and soon the panel of specially trained speakers will start out on their assignments.

### Sullivan Coast Auto Head

Noel S. Sullivan has been appointed superintendent of the combined automobile department in the Pacific department of Hartford Fire and Hartford Accident. He takes the place of Millard H. Totman, who has resigned to enter the agency field.

Mr. Sullivan went with Hartford in 1929 after graduating from St. Mary's College. He later completed a law course at University of San Francisco. Since 1942 he has been assistant to Mr. Totman.

Named as assistant superintendents are Roland G. Holt, Jr., and Charles Bundschu. Mr. Holt graduated at University of Denver and was with Tracy Loan & Trust Co. at Salt Lake City before joining Hartford in 1937. He has been supervising underwriter in the automobile department. Mr. Bundschu was with department of highways of California before joining Hartford in 1940. He has been supervising underwriter of the fleet division.

### Brokers Plan Outing

Insurance Brokers Exchange of California will stage its first golf tournament and outing at Green Hills Golf & Country Club, Millbrae, Oct. 22. The day will conclude with a dinner at the club. R. E. Marsky is in charge of the outing.

## EAST

### Regional Director Named

Miss Margaret T. Healy, secretary of Boit, Dalton & Church, Boston, has been added to the regional directors of National Assn. of Insurance Women to represent Region I. Miss Healy formerly was an insurance analyst with the Employers group. She has just completed a two-year term as state director of the Massachusetts association. She also will serve as chairman of the public safety committee of N.A.I.W.

### Giles Speaks at Pittsfield

Berkshire County Assn. of Insurance Agents will hold its annual meeting at Pittsfield, Mass., Oct. 19. E. Stuart Giles, divisional manager of New England Fire Insurance Rating Assn., will discuss recent changes in manual rules.

### Rename Allen at Erie

Paul T. Allen was reelected president of Erie (Pa.) Assn. of Insurance Agents. George O. Loesel is vice-president; M. A. Mattie, secretary.

Syracuse Insurance Women's Assn. started its fall schedule with a "get acquainted" meeting. The new president, Helen Watson presided for the first time.

## Utah Assn. Holds Its Annual Meeting

(CONTINUED FROM PAGE 4)

across the nation. We are getting our agents to work with their clients on traffic accidents."

Rollo E. Fay, manager Pacific Coast branch of National Bureau of Casualty Underwriters spoke on "Bureaus and Agents Under Rate Regulation." He said the bureau has always been out to make friends with producers, especially those who are active in state and national associations. "And I begin to believe that patience has not been wasted effort. It may be that the years of seemingly futile efforts on the part of agents' associations to get under the skin of rating organizations and vice versa paved the way for the changed relations, which began to be noticeable almost immediately in the wake of the Supreme Court's decision in June, 1944. Or, it may be that the war years gave us a new perspective of fault-finding and bickering. In either case, when the first panic had subsided, and the insurance business had got its wind back and begun to gather its wits, it was not this segment or that faction of the business, but company and agent organizations that found themselves in a huddle tackling the staggering problems of the future."

A past presidents' luncheon was given on the roof garden, with Vice-President Goeltz presiding. Former presidents were introduced, and vocal and instrumental music and magic formed the entertainment.

### Costs Open Second Session

At the second session Kenneth L. Nehring, Tucson, chairman Far West Agents' Conference, in his talk on "Agency Analysis," said analyses are "a necessary supplement to good agency management, especially today with high cost of operation and other problems confronting the insurance business."

"The Insurance Industry and Governmental Activities," was discussed by Perry H. Taft, manager Pacific department General Adjustment Bureau. He said that the new state regulatory system must be made fully effective to counteract possible federal intervention as a result of the 1944 Supreme Court decision holding insurance subject to be interstate commerce.

In his talk on "Good Underwriting Means Satisfactory Adjustments," Ralph R. Moe, assistant

general manager Pacific Coast department, General Adjustment Bureau, former manager of the Salt Lake office, said that "insurance must be fitted to the needs of the client, or failing this, the client must clearly understand that he is purchasing insurance with limitations."

### Rights of People

Philip D. Richards, immediate past president American Assn. of Insurance General Agents, stressed the importance of preserving rights of people when transacting business. The concluding speaker of the second session was R. J. Layton, vice-president of "Rough Notes," on agency costs. A reception hour was followed by a dinner, dance and floor show.

A moving picture, "Catastrophe Unlimited," furnished and explained by Knox D. Moore, Salt Lake City, G.A.B., opened the third session.

Deputy Commissioner Garff assured the delegates that the department was back of them in their problems, and invited them to call on him whenever necessary. Samuel L. Carpenter, Jr., San Francisco, general manager Pacific Board, discussed "Public Relations."

### Fire Prevention

Jay W. Stevens, San Francisco, assistant manager, National Board, concluded the convention with "Our Fire Prevention Program as of Today." He told the members that the public has a right to expect assistance from fire underwriters by serving on committees of various kinds relating to fire disasters if for no other reason than the fact of their position in the public eye. Delegates and their ladies attended the "anniversary luncheon" presided over by Mr. Goeltz. Dean M. R. Merrill, political science department, Utah State Agricultural College, Logan, spoke on "The Communists—How They Are Made, and How They Grow."

The fourth and last session was devoted entirely to business matters, including reading and filing of reports of committees, the election of officers and adoption of reports of the committee on resolutions.

As the neighboring states surrounding Utah "have enacted and are enforcing statutes requiring expensive non-resident licenses for non-resident agents and brokers," a resolution was adopted requesting the Utah commissioner to take the necessary steps to bring about the enforcement of the 1947 statute which provides for a \$100 non-resident license in Utah for non-resident agents and brokers.

### Heaton, Plangman Speak

Austin (Tex.) Assn. of Insurance Agents heard City Fire Marshal Heaton present a study of the need for fire escapes and their proper use. Walter Plangman, director of public relations of Texas Insurance Advisory Assn., outlined the relation of his field work to the work of the local agent. Miss Alyce Schwab, Texas Checking Office, chairman of the convention committee of Austin Insurance Women, asked for the cooperation of the association in entertaining the convention of the Texas Federation of Insurance Women here Oct. 8 and 9. The association voted \$150 to aid in meeting expenses and pledged full cooperation in entertaining the convention.

### Bush Addresses S. F. Forum

Services of the fire insurance industry which make for better public relations were discussed Tuesday at a luncheon meeting of Fire Underwriters Forum of San Francisco by Loren S. Bush, chief engineer Pacific Board. He worked with Pacific Coast communities for more than 20 years and was a pioneer in developing programs for organization and training of rural fire departments which have alleviated the old unprotected risk problem in smaller communities.

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## PERLET VIEWS THE I.U.B. ISSUE

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insurance is geared to the actual values at any one time and the final premium is computed on these values. He said that the original I.U.B. plan would have provided a 20% increase over rates for the highest percentage of coinsurance in an attempt to equalize the short rate reduction. Another advantage such an assured has is automatic coverage at new locations for at least 30 days. Then the assured gets the advantage of the rate benefit of the coinsurance clause without attachment of the clause. Then, by permitting specific insurance, it is possible to obtain term treatment for part of the stock when contained in sprinklered buildings or at manufacturing plants.

Thus these assured have definite advantages without taking into consideration preferential rate treatment.

### Credits Came Later

These forms were established to take care of fluctuating values and were not set up to give rate discounts because of size, experience, etc. These credits came later. Interstate risks were normally written at 20 to 25% off tariff and that is one reason why experience on the class has been so unfavorable.

The only multiple location reporting form plan that has been approved in Ohio contemplates development of rates in exactly the same manner as they were computed for single state form No. 1, except that it will be countrywide and the average rate will be computed by the company. There will be no reduction in rate in Ohio for this type of risk and it will be written at an average rate predicated directly on the 90% rate.

Mr. Perlet referred to the fact that some states have approved such rating plans, others have flatly refused to do so and still others have accepted them after modification.

### Sees Issue Magnified

Due to this diversity of action, Mr. Perlet said that there will be some that will contend that this means that state regulation has broken down. On this score Mr. Perlet expressed the belief that the attention that has been given to this type of business is magnified. The premiums involved are about \$14 million compared with about \$1½ billion total fire insurance premiums. Lack of unanimous treatment does not indicate a failure of the system. Uniformity is desirable but not necessarily essential to continued state regulations.

A step in the direction of uniformity was the formation of conferences of rate administrators in the various zones of National Assn. of Insurance Commissioners. This provides a forum wherein all parties can air their views. When a number of groups are studying the problem at the same time, even if one or two go off base, eventually the right answer will be found.

It is understood that the one plan that Ohio has approved is the so-called temporary plan filed by North America. However, no reduction is to be allowed in the average rates because of any difference in commission. North America proposed to give a 5% rate credit due to lower commission payment paid for this type of business. Superintendent Shield contended that if the principle of allowing a lower rate for a lower commission were extended agents might compete on the basis of accepting lower commission in order to obtain a lower rate and thereby legalize rebating and create chaos. He said that he is not yet prepared to accept the principle of a difference in the net fire insurance rate charged to the insured. Fire insurance rates in Ohio have never been predicated upon commission costs and such costs have never been included as such in the rating formulas. In the casualty business the rate is built up and contains a certain percentage for commission, but this has never been true in fire insurance. It has been considered impracticable in the fire field, particularly because of the use of graded commissions and the pres-

ence of the excepted cities. If there is no recognized percentage for commissions included in the fire rate, there would be no point from which to start in preparing a modification.

Mr. Perlet also treated the new Ohio motor vehicle assigned risk plan which goes into effect on or about Jan. 1. Under this plan, all that is required is that the applicant sign an affidavit that he is not able to obtain insurance. Motor vehicles of any type are eligible for assignment so long as they bear a state license plate. The company is required to furnish only basic limits unless required to furnish more by state or federal law but not by municipal ordinance.

Mr. Perlet deplored the tendency to use the assigned risk plan as a dumping ground. Agents should make a genuine attempt to place a difficult risk on the open market, rather than simply putting it through the assigned risk plan at the outset. He emphasized that only those who deserve the coverage can obtain insurance through the plan. The operation of the plan should not result in keeping incompetent and dangerous drivers on the road. He said that some of the judges have told defendants that if they can obtain insurance their driver's license will not be suspended or revoked. This is passing the buck to the insurance companies. He suggested that insurance people should discuss the problem with judges and tell them the implications of such decisions.

### Handling of Criticisms.

Mr. Perlet told something about the handling of criticisms that are issued by the auditing department of the Ohio inspection bureau. The law provides that if the insurer does not clear a criticism within 60 days the insurance superintendent shall be notified. The Ohio department follows the practice of sending a letter to the insurer giving it 30 days to make the correction. At the end of the 30 days, if it is not corrected, a second letter is sent giving an additional 10 days. If the correction is not made by then the company is cited for a hearing. So far the department has cited about 15 companies and each one has corrected the criticism before the date of the hearing. The situation is now improving. At first, criticisms were running at the rate of about 300 a week but now there are only about 75.

In casualty insurance there is no auditing and this raises the question of how there can be adequate regulation in the absence of such policing. The department is now investigating every complaint that seems to have some merit in the casualty field. A fleet of trucks was charged 300% over manual. It turned out the insured had signed a waiver as required by statute. The waiver stated he understood about the Ohio assigned risk plan, but department investigators discovered he had never heard of the plan and did not know the statement was in the waiver. The department refused to approve the waiver.

Mr. Perlet asked agents to notify the department of any irregularities that come to their attention.

Mr. Perlet said that some of the experience and schedule rating plans in casualty insurance that have been filed are patently an attempt to continue the treatment formerly accorded under the old equity rating system. The department has called a conference of interested parties to discuss these plans and, if possible, establish a set of basic underlying principles to which all plans should conform. One of the points to be considered will be the justification of fleet discounts, size of premium discounts and similar discounts that are granted for size alone.

Ohio Farmers was one of the first companies to open headquarters, with President C. D. McVay on hand to greet agents. He was assisted by D. L. Jones, superintendent of agents, and J. R. Hamilton, assistant secretary.

## Sid Lance Tells of His Effective "Ad" Technique

COLUMBUS—The agency advertising and promotion session of Ohio Assn. of Insurance Agents here drew an overflow crowd. The program featured a discussion of the advertising methods of Sid Lance, Medina, and a photographic presentation of a safety program.

Mr. Lance, who is a heavy user of almost all methods of advertising, said that he thinks an agency should spend from 6 to 8% of its gross income for this purpose. He illustrated his talk with large cards, showing many of his advertising pieces, and the audience seemed particularly interested in the use of his agency window display.

### Has Ground Floor Location

After five years in an upstairs office, Mr. Lance decided a ground floor location was essential and was able to secure one with a 20-foot window. He uses it almost exclusively for donated displays and said his organization feels the advertising and good will derived from this makes it worth many times the present rent. No display is left in the window more than one week, and some for less than that. The display is changed at noon every Saturday, regardless of how many times it may have been changed during the week. In that way, Mr. Lance said, public interest is maintained and no one ignores the window, feeling he has seen everything.

Displays are donated to civic organizations, schools, athletic events, fraternal organizations, etc., and special displays are set up for days such as Christmas and Thanksgiving, but taken down the day after. Interesting hobbies of citizens, customers or not, are featured. Most interesting of all, Mr. Lance said, is the use of the window for bake sales. The agency now averages about two bake sales a month, usually on Saturdays. Almost every woman's organization in the city has used the window for this purpose and Mr. Lance said he thinks this is the best use of all for good will, attracting attention and getting people into the agency.

### Uses Variety of Methods

Mr. Lance uses all types of direct mail advertising, house organs, circulars, monthly calendar blotters and form letters. A letter on the comprehensive personal liability policy brought in over \$600 in new premiums. He also uses billboard advertising, calendars, road maps and letters to newcomers to the city. The real estate department of his office uses the daily papers, but not the insurance department. This year the agency had a booth at the county fair for four days. Movies were shown, which were not successful because of competing attractions, but an offer to autograph wallets with an electric pen attracted many people, and so did a drawing for an electric toaster. To get into the drawing, a person had to register and give some information about himself. Out of 3,000 registrants, 550 were culled as reasonable prospects and these cards were given to new solicitors. This happened only a few days ago, but Mr. Lance said one man already made seven sales out of 11 calls, with an average premium of \$40.

### Home Safety Approach

R. M. Clark, president Hamilton Board and chairman home safety division of Hamilton Safety Council, showed the slide film "Look Who's Lucky," which he photographed personally. The film, which features safety in the home, was prepared by the volunteer work of many Hamilton people and has already been shown to over 5,000 people.

National Surety headquarters were in charge of managers F. R. Middleton of Columbus and G. W. Draper, of Cincinnati.

## Carl Gluck Is New President

(CONTINUED FROM PAGE 20)

Executive Secretary T. F. Gray does not have a definite term.

Certificates of merit were awarded A. L. Mense, Hamilton; C. E. Saum, Akron; J. L. Goetz, Dayton; Kenneth Harger, Bowling Green; C. C. Eynon, Alliance; J. E. Bay, Alliance; Donald Jackson, Toledo; C. W. Payne, Garrettsville; F. C. Murphy, Athens; W. T. Cooper, Akron; E. E. Roberts, Springfield; Tom Bartlett, North Baltimore; C. E. Nodler, Portsmouth; L. T. Powell, Mansfield; G. M. Nearing, Bowling Green, and Bradley Schaeffer, Dayton.

If the Ohio meeting fairly represents the current feeling of agents—and it probably does—it seems safe to conclude that much of the ill-feeling and forboding of recent years has passed. Rate laws are an accomplished fact, the government has not taken over the insurance business and all parties are making a sincere effort to live in the new scheme of things. The capacity problem, while not completely solved, no longer seems insuperable or one requiring desperate measures. The automobile insurance picture is better. The commission troubles of last year did not leave relations unscarred, but most agents have made the best arrangements possible and are convinced that time is on their side.



T. M. Gray



H. S. Boynton

The feeling of the meeting was probably more constructive than for several years. Serious thought seemed to replace complaints and speculation. The program was heavy—and the agents obviously liked it. There were few light moments on the program, but every session played to a full house, the Ohio agents followed closely the report of Harry Perlet, chief of the insurance department rating division, on the current status of rate regulation in the state, which opened the meeting. They crowded the discussion of agency advertising and promotion and on the first afternoon listened with interest and approval to the challenge of John C. Stott, vice-president National Assn. of Insurance Agents, that the agency system will survive by thinking of the public first and special interests last.

They stayed through the session on production and profit planning and at the banquet they forgot festivities to listen to the serious and challenging analysis of the strength and weakness of the agency system by E. F. Gallagher, special service manager of Planet, and the following day they came back to hear Superintendent Dineen of New York give his ideas on the important matter of interstate rating. Mr. Dineen's remarks are reported elsewhere in this issue.

The Monday afternoon session closed with motion pictures. The new N.A.I.A. public relations film, "Your Best Policy" was shown followed by a National Board fire prevention film. Robert Klie, Jr., Columbus, explained the films.

The meeting closed with a fire prevention session Tuesday afternoon with William Cuddy, Buckeye Union Fire, president Ohio Fire Prevention Assn. in the chair. E. C. Knoop, Home, and H. J. Hoag, Fireman's Fund, were the featured speakers.

## Want Responsibility Law Put In Effect

(CONTINUED FROM PAGE 1)

his community has had. For fire prevention week there will be a town inspection, including all residences.

No group has more to lose by not doing accident prevention work, T. N. Boate, public safety division Assn. of Casualty & Surety Companies, declared in discussing "Safety is Good Business." It is especially incumbent on the casualty business, agents included, to return something to the people with whom it does business. There is a great wealth of prestige and influence represented by agents on the spot that can be tapped for this work, he said.

Local representation is essential in getting driver education established in schools, he said. So far six state level committees have been organized with this purpose—Illinois, Indiana, Georgia, Michigan, southern New Jersey and eastern Pennsylvania—to work with agents.

### Cites N.A.I.A. Treatise

The booklet worked out with National Assn. of Insurance Agents, "Safety Is Good Business," contains a five point program; with any one item of which it is easy for the agent to start.

If the driver under 25 takes driver education, isn't he entitled to a lower rate for his auto coverage, Mr. Boate was asked. He said this would be a good idea. Another agent objects to the application of the new higher rate to drivers 21 to 25, many of whom are heads of families. The way to attack this problem is to promote the driver educational campaign so that experience will improve, Mr. Boate urged.

Carlyle H. Hill, manager of Middle Department Assn. of Fire Underwriters, explained the new uniform risk grading schedule being gradually put into effect.

### Malone Luncheon Speaker

Commissioner Malone, luncheon speaker, said his department is stepping up agents qualifications and examinations. The authorization has just come through for a full time department counsel which will be its first, he said. Putting power to control rates in the hands of one man, Mr. Malone said, is dangerous and places responsibility on agents to take an interest in the kind of men voted into government office.

In addition to association business this year there was a number of able speakers.

### New Directors Named

New directors elected are L. N. Boyd, Lancaster; S. G. Kurtz, Lebanon; G. J. Margraff, Philadelphia; T. C. Parsons, Altoona; A. J. Petrini, Sharon; J. H. Trattner, York.

One of the most popular program features was the appearance of Roy Duffus of Rochester who in spite of being partly ill gave his customary fast, humorous and brilliant presentation of agency selling and operating ideas. He made a big hit with his morning talk and his two hour afternoon forum attracted as large a crowd as any convention session.

Mr. Duffus buys high limits plus medical payments driver-other-car coverage for his son in college. The cost is minor and he recommended it to agents and their customers. He asked National Automobile Underwriters Assn. what it is going to do about larger bent glass in automobiles like Studebaker, which costs \$64 to replace. Nothing, was the reply. It doesn't want to complicate the rate structure, and anyway more glass to provide wider visibility may reduce accidents.

Write liability for large risks on an occurrence basis at 1% more on the bodily injury premium, he recommended. Each agent should be a research committee and share his ideas and get help in putting them into effect.

The rural agents committee of N.A.I.A. is trying to work out the

problems in the farmers liability policy, he said.

On the residence theft policy the coming revision will restrict coverage to some extent, for example, coverage in unattended automobiles is eliminated but can be added for a charge. Agents want to continue this contract as a poor man's policy; not let it get as high in cost as the personal property floater.

In New York agents are trying to get a fire policy in which they don't have to paste endorsements, which takes as much time as writing the policy, he said.

Robert Synnstedt, Jenkintown, was forum chairman.

### Congressman Is Heard

Franklin H. Lichtenwalter, Center Valley agent and member of Congress, was the Monday dinner speaker, on "Insuring the American Way of Life."

Public relations is 90% of what you tell about it, R. H. Wherry, department of economics Pennsylvania State College, said. Many industries over-emphasize publicity. In relations with customers the agent must be more than commercially honest, if he is to make sales beyond the immediate one. He recommended refutation of untruths and misconceptions about the business and greater use of publicity in connection with losses.

The banquet at which John C. Stott, vice-president of N.A.I.A., spoke on, "Lest We Forget," closed the meeting. Golf prizes were distributed followed by a program of entertainment.

## Bedford Notes

J. Alden Tift, of Philadelphia, was the only one on hand at the convention of Pennsylvania Assn. of Insurance Agents from the incorporators of the association in 1924.

John Owen, secretary from the head office, and C. G. Sykes from Philadelphia, led the Corroon & Reynolds delegation.

Floyd L. Rice, Warren, headed the resolutions, and Morton V. V. White, Allentown, the nominating committee.

A wire was sent J. F. Morgan, Lewistown, past president, unable to attend because of his wife's illness.

Several companies had headquarters—Home, with C. Harry Smith, P. G. Buck and C. M. Mecke from the head office; America Fore, J. Scott King and Stanley Tebbetts; Fidelity & Deposit, Thomas J. Ternan, Jr., Philadelphia manager.

Royal-Liverpool and F. & D. furnished notebooks.

A number played golf and George J. Margraff, Philadelphia, handled tournament arrangements and prizes.

### Mich. Safety Group Formed

Plans are going forward for the creation of Michigan accident prevention committee to give local effect to the accident prevention program that is being conducted by Assn. of Casualty & Surety Companies. T. N. Boate of the casualty companies' association addressed a meeting of company men at Detroit and also the convention of Michigan Assn. of Insurance Agents. W. O. Hildebrand, manager of the agents' association, will appoint representatives of that organization to the accident prevention committee.

The company committee consists of C. L. Miller, Standard Accident, chairman; J. G. Fenwick, U.S.F.&G.; J. M. Ferris, St. Paul-Mercury Indemnity; H. E. Mowrey, Indemnity of North America; E. C. Greer, Employers Liability; J. W. Callahan, Travelers Indemnity; Hal M. Irwin, General Accident, and John S. Horton, Aetna Casualty.

### Minimum Benefits Parley

Commissioner Downey of California has called a meeting of the National Assn. of Insurance Commissioners subcommittee on minimum A. & H. benefits for Chicago Oct. 20.

## Litigate Issue of Double Indemnity in Fire Death

WASHINGTON—Commercial Casualty, seeking certiorari writ to the sixth circuit court, tells the U. S. Supreme Court the circuit court erred in holding the company liable for double indemnity under a \$10,000 policy on James M. Roberts, who died from effects of a fire in his suite at Cumberland Hotel, Middleboro, Ky.

Mary Roberts, beneficiary, was paid \$10,000 principal sum, but double was claimed under the clause providing for the latter indemnity for death "in consequence of the destruction, by fire, of a building while the insured is therein," excluding firemen. Roberts was hotel manager.

The company says the fire damaged 16 rooms and 2 halls out of 120 rooms, and other space in the hotel, and fire companies paid \$4,066 for damages to building and furnishings, whereas book value of the hotel was \$175,000, and it did not cease operating.

The district court found the hotel was not destroyed and decided against Mrs. Roberts' claim, but the circuit court reversed, the petition says, on the ground that the Roberts suite was a "building" that was destroyed.

In its brief the company cites Kentucky decisions that "destroy" means "to annihilate . . . demolish . . . wipe out."

## Agents Earn Place; Must Justify Reward

(CONTINUED FROM PAGE 26)

non-resident brokers. Hence there eventuated the countersignature and resident agent laws. He said he is not sure whether this is right but asked the agents to think it over.

He told of a large public utility line that is controlled by an eastern broker. He sends engineers into the state to survey every location. The insured is given a written report and rate analysis and a special form is prepared. The premium is \$50,000 and the broker who has done the work gets a commission of \$5,000 and the agents who happen to live in the state get \$5,000 for signing the policy. The insured is aware of this and is beginning to wonder. It probably makes no immediate difference to the company to whom the insured makes payment for service. Some thought has to be given to how the American public will judge the situation.

## Safety Leaders Named

WASHINGTON—Insurance representatives have been asked to serve on committees of the President's National Conference on Industrial Safety, Sept. 27-29, as follows:

Committee on accident records, analysis and use—Robert Vane, Metropolitan Life; Robert Clair, Liberty Mutual; H. W. Heinrich, Travelers; E. R. Grannis, Eagle-Globe-Royal; E. C. McFadden, Texas Employers; M. H. Snell, Hartford Accident.

Engineering—Herman Behr, Lumbermen's Mutual; Frank J. Crandell, Liberty Mutual.

Laws and regulations—E. W. Blanch, Employers Reinsurance; W. Dean Keefe, Lumbermen's Mutual.

Research—John V. Grimaldi, Assn. of Casualty & Surety Companies; Henry T. Herndon, Texas Employers; W. L. Hanau, Fidelity & Casualty, Chicago; Dr. E. G. Meier, Employees Mutual, Milwaukee; Lt. Col. R. C. Stratton, Travelers.

Programs and services—Fred W. Braun, Employers Mutual, Wausau; C. S. Butterfield, Hartford Accident; Julien H. Harvey, Assn. of Casualty & Surety Companies.

Education—Graham Cole, Metropolitan Life.

Edward R. Moore, Port Huron, Mich., local agent, is manager of the Community Chest campaign there, for October 7-20.

## Burford Talks on Claims at Los Angeles Meeting

LOS ANGELES—At the first fall meeting of Los Angeles A&H Underwriters Assn., L. G. Burford, manager of the accident and health claims department of Continental Casualty group on the coast, talked on the claims situation. He said the common complaint about claims not being paid arises largely from the fact that the few claims where companies contest the claim or do not pay are given wide publicity, whereas the multitude of claims that are paid to satisfied policyholders or beneficiaries never get any mention. He said companies would rather pay claims instead of contesting them.

### Blame Put on Producers

He blamed much of the difficulty over accident and health claims on faulty underwriting by producers. He said companies are increasing the liberality of their underwriting and of their settling of claims.

The claim man is hired by the companies to pay claims, not to contest them, he said. He held that the claim man really is a salesman, and that the claim department is a service department of the company. He said that underwriting and claim departments of a company should work together.

At the next meeting Oct. 27 President E. F. Gregory of the National association will be the honor guest.

## Chicago Lloyds Decision

Superior Judge Schwartz at Chicago, following a hearing, announced that in a week he will issue a formal order, directing underwriters of the defunct Chicago Lloyds to pay up their debit balances and draw down the balance of securities to which they are entitled. The hearing was on a report of audit of the underwriters' accounts at Chicago Lloyds, submitted by the state insurance liquidator.

Attorneys for the underwriters voiced numerous objections. They contended that the reserve for contingencies that has been set up is excessive. However, Judge Schwartz held for the receiver on this score.

Then there was a dispute about the claim of Charles B. Morris. He was local agent for Chicago Lloyds at St. Louis and he secured a judgment of \$50,000 against that organization for false arrest and malicious prosecution. He also claimed \$21,000 interest but his attorneys at the Chicago hearing agreed to drop the claim for that and the underwriters agreed to recognize the \$50,000 liability.

## Name D.C. Rate Actuary

WASHINGTON—Russel C. Moch-wart has been appointed casualty rate actuary in the District of Columbia department by Superintendent Jordan. He was with National Bureau of Casualty Underwriters, 1927-41; during the war he was assistant chief casualty and surety section, army engineers insurance division, and also served with the maritime commission in a similar capacity.

Since the war he has been special representative of American Mutual Liability at New York, manager casualty department Hansen & Rowland, Tacoma, and served with Commercial Union group at San Francisco.

About 100 attended the two-day district supervisors meeting of Farmers Mutual Automobile of Madison, Wis., at Egg Harbor, Wis. State directors and district supervisors were present from Wisconsin, Minnesota, Missouri, Nebraska, Indiana, North Dakota and South Dakota.

Speakers included H. L. Wittwer, secretary, Irving J. Maurer, treasurer, and Alex H. Oppenorth, assistant secretary. There was a boat trip to Ephraim.



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## The Home of Dauntless Spirits IN THE FIGHT FOR POLITICAL FREEDOM



Captain Nicholas Gilman, Jr.

COURIERS on horseback galloped through-  
out the countryside bearing the news  
when the Declaration of Independence was  
adopted. In Exeter, New Hampshire, the  
fateful message was dispatched to Colonel  
Nicholas Gilman, whose son, young John  
Taylor Gilman, then read it in the public  
square while the townspeople listened "with  
unutterable emotion."

The house where the message was de-  
livered was built in 1721 by Nathaniel  
Ladd, a member of one of Exeter's more  
prominent families who were among the  
first settlers. Another Nathaniel Ladd  
sounded the trumpet that signaled an early  
revolt against the royal governor and was  
the only one of the rebels crafty enough



The Major General John Sullivan Room

to escape trial. One eccentric member of  
the family kept a coffin in the house in case  
of sudden demise and invented a pair of  
wings which he maintained would enable  
him to "cleave the air like a bird" until he  
experimented from an upstairs window.

In 1747 the house was bought by  
Daniel Gilman and for many years  
was owned by members of the Gil-  
man family who were said to be as  
numerous as the sands on the sea-  
shore and who played an influ-  
ential role in affairs of state and  
nation. One of the most distin-  
guished was Colonel Nicholas Gil-  
man who as state financier earned  
the title of "the brains of the Revo-  
lution in New Hampshire." Im-  
portant meetings were held, state  
secrets discussed and the Battle of  
Bennington planned in the room in

his house which served as the treasury. An-  
other room was used as the jail where  
debtors were chained to an iron ring which  
may still be seen.

Nicholas' son, John Taylor Gilman,  
proved his patriotism at an early age by  
marching off to Cambridge with a band of  
volunteers the morning after the Battle of  
Lexington. He succeeded his father as state  
treasurer and served a number of terms as  
governor. At the alarm of Portsmouth in  
1814 he took personal command of a large  
detachment of militia. His brother, Cap-  
tain Nicholas Gilman, Jr. who was on  
Washington's staff, participated in many  
important battles and later served as dele-  
gate to the Constitutional Convention and  
as Senator from New Hampshire.

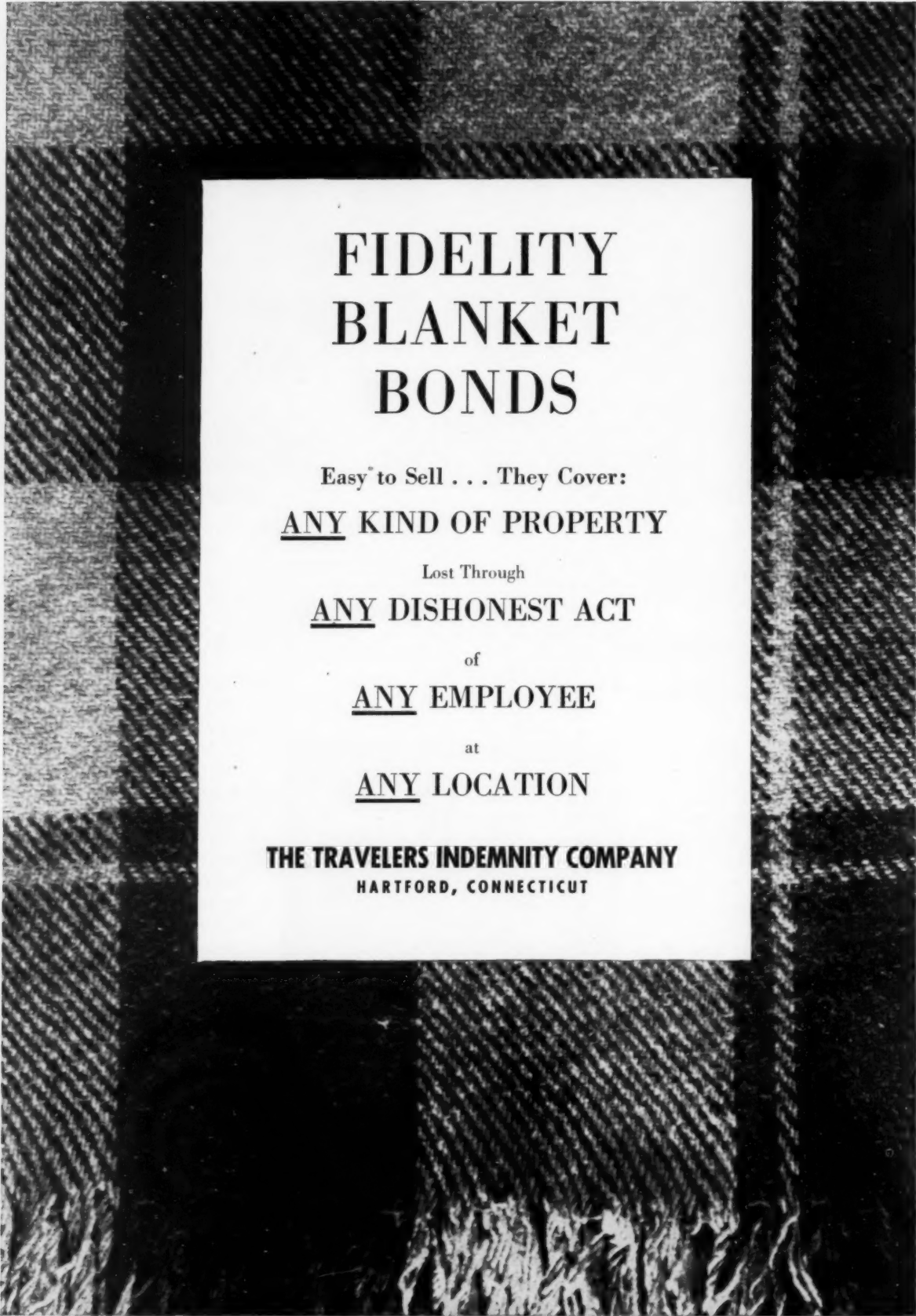
The Ladd-Gilman house is now owned  
by the New Hampshire Society of the  
Cincinnati and is commonly known as  
Cincinnati Memorial Hall.

The Home, through its agents and  
brokers, is America's leading insurance  
protector of American Homes and the  
Homes of American Industry.

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The Tap Room in the old kitchen



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